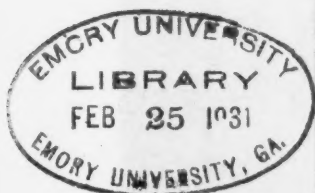


TWENTY CENTS

FEBRUARY 21, 1931



Sales Management

The Weekly Magazine for Marketing Executives



Thomas A. Buckner, a salesman and sales executive for forty-five years, who has just been elected president of the New York Life Insurance Company

What a Complete New Selling Plan
Did for Gifford-Wood



Are Manufacturers Making
Horse-traders Out of Buyers?



A "DRAMATIZED CAMPAIGN" in Optical Windows

Six dramatizations of the need or advantage for glasses—each a complete and effective selling thought—appearing serially in optical windows—

This idea of using the window on a campaign basis, as a regular medium—plus the triple-plane "stage" effect and a novel illuminated base on which each of the six displays fit—has made Bausch & Lomb Orthogon Lens display work for 1930 the most successful in years.

Consult with us on the possibility of putting your 1931 display effort on a campaign basis—economically, and with similarly fine results.



Bausch & Lomb Optical Co.
 Executive Office & Works
 ROCHESTER, N. Y., U. S. A.
 (In Reply Refer to)
 ROCHESTER, N. Y.
 May 2, 1930

Einson-Freeman Company
 511 East 72nd Street
 New York City

Attention: Mr. W. J. Leigh
 Gentlemen:

After inspecting the final proofs on the series of six illuminated Orthogon displays that you are making for us, we can only say that they come up to our expectations in every respect—and our expectations were high.

The longer we know you and do business with you the more firmly are we convinced of the wisdom of picking a good lithographer and sticking to him. Your people seem to have the faculty of taking a good idea and getting the most out of it.

Every one who has seen them likes the new displays and I think that they are a credit to you and to us.

Keep up the good work.

Yours very truly
 BAUSCH & LOMB OPTICAL COMPANY
 W. J. Williamson
 Service Department

EINSON-FREEMAN CO., INC.
 LITHOGRAPHERS
 STARR & BORDEN AVES., LONG ISLAND CITY, N. Y.
 OFFICES AND COMPLETE
 MANUFACTURING PLANT
 New England Office: 302 Park
 Square Building, Boston, Mass.
 Inventors and Manufacturers of the Einson-Freeman Patented Double Tier Container
 Licensees for Canada—Somerville Paper Boxes, Ltd., London, Ontario, Canada

ANOTHER NEW YORK HERALD TRIBUNE RESULT STORY

Twice a week in the Herald Tribune — and Louis Berg's Business GROWS... and GROWS

Twice a week in the New York Herald Tribune has built a remarkable business success for Louis Berg, New York tailor! Small space, twice every week, Tuesdays and Fridays. Bullets—fired consistently at a known target through a known medium.

Here is Berg's advertising story—

In 1920 Louis Berg, custom tailor, moved his tailoring establishment to Fifth Avenue and Fifty-Seventh Street. Five years ago he was persuaded to advertise his \$100 suit through the use of small space (42 lines double column) in the Herald Tribune—inserted regularly for a whole year.

He started advertising in the early summer of 1925. Though results at first were very small he continued his confidence-building campaign through that off season and then one day a customer walked in with the advertisement in his hand and walked out leaving an order for seven suits of clothes. From this beginning, new customers came with great regularity, one customer ordering twelve suits at a sitting.

The first year brought assurance of success. The second year brought a thriving business. The third year brought such a volume of sales that Berg had to move to much larger quarters at Fifth Avenue and Sixtieth Street. The next year the business re-



fused to let up even during the off summer season—and today his business is only a very small percentage less than his splendid year of 1928—RESULTS! Berg's advertising agency, Grant & Wadsworth, wrote us in 1929 as follows:

"The success of Louis Berg advertising in the Herald Tribune is a tribute to its power to produce even when small space is used.

"Within three months results came with surprising regularity and have shown steady increases, as much as 50% over the previous year. This letter comes to you unsolicited in appreciation of what your wonderful newspaper is doing for the advertiser with a small appropriation."

And that isn't all. When Berg started

advertising he could afford to be in only *one* newspaper. He chose the Herald Tribune as that one because he felt that among Herald Tribune readers lay his best market for \$100 suits. Now note this: The Herald Tribune, used for two years exclusively, produced such profitable results that Louis Berg has been able to increase his advertising appropriation to include another newspaper. But he runs twice as much advertising in the Herald Tribune as he does in the second paper.

In these Herald Tribune "Result Stories" we have told and will continue to tell about advertisers who get results with large space planned with consistent schedules. But there's the small space advertiser, too—the firms with the smaller appropriations. Does not Louis Berg's story suggest to them what can be done with *bullets*?

The New York Market of 1931 is an Opportunity Market for advertisers who shoot their "bullets" or their big guns at a known target through a known medium. The Herald Tribune's readership (a City Without Slums), is a tried and proved producer of results for the small advertiser and the large advertiser whose products cost a little or a lot. And the Herald Tribune should top the New York list of the advertiser who demands RESULTS above all else.

NEW YORK Herald Tribune

NEW YORK
MAIN OFFICE
230 West 41st Street

CHICAGO
JOHN B. WOODWARD, Inc.
360 N. Michigan Avenue

BOSTON
CARROLL JUDSON SWAN
931 Park Square Building

DETROIT
JOHN B. WOODWARD, Inc.
6-255 General Motors Building

SAN FRANCISCO
VERREE & CONKLIN
681 Market Street

"The modern public warehouse has become practically a branch distributing office of the manufacturer. We use forty-five strategically-located merchandise warehouses in the United States and Canada, thus saving transportation costs and speeding delivery to our customers. Their orders are mailed directly to each warehouse. After shipment has been made, customers' invoices are rendered by the warehouse and mailed direct. The Bon Ami Company was one of the first large manufacturers to recognize the modern up-to-date merchandise warehouse as the ideal medium for distribution."

J. A. Gerlin, Traffic Manager,
THE BON AMI COMPANY, Inc.

"Hasn't scratched yet!"



As we serve Bon Ami so will A. W. A serve you!

In 109 cities of the United States, Canada, Cuba and Hawaii, our member warehouses receive merchandise in carload or less-than-carload lots . . . store it until needed by wholesalers, dealers or users . . . then deliver it where it is wanted. In effect these warehouses become your branch house in each city you select . . . storing and distributing your goods . . . receiving your mail and handling your orders . . . doing your billing and receiving your remittances if you wish . . . keeping in touch with you through daily stock reports.

Using the warehouse 'phone number, you may list your name in each local 'phone book, and the warehouse operator will take your salesman's calls. Yet your identity is carefully preserved, for the warehouse can use your labels, your billheads, your stationery or any of your personalized forms.

Charges are made on a "piece work" basis. Your costs are based on the number of units of your goods that are handled. During dull periods you are not burdened with fixed overhead expenses, as you are if you operate your own branch houses. The AWA Plan cuts distribution costs, saves freight charges, speeds delivery, enables you to increase sales through the strategic location of spot stocks. Full details in our 32-page booklet, sent free on request.



AWA
AMERICAN
WAREHOUSEMEN'S
ASSOCIATION
1840 Adams-Franklin Bldg., Chicago, Ill.

Survey of Surveys

BY WALTER MANN

"300 Effective Advertisements"

The second in a series of several general reports now being published by Daniel Starch, consultant in commercial research, has finally been put into book form under the title "300 Effective Advertisements."

The first report in this series (reviewed in S.O.S. October 4, 1930) was entitled "An Analysis of 5,000,000 Inquiries." These inquiries had been received by 163 firms over a period of twelve years in response to approximately 3,500 advertisements. The 300 leading advertisements from these 3,500 have been portrayed in Report 2.

Delayed in publication because of its size (248 pages), its scope and the detailed difficulties inevitably involved in the reproduction of so many and varied styles and types of advertisements, it actually came out as Number 3 of the series instead of 2. But, because of the close tie-up with Report 1, its logical order is as Report 2, where Dr. Starch has placed it.

"Sets of advertisements have frequently been chosen by judges, committees or through public contests as being the 'best' and 'most effective.' Never before, however," writes Dr. Starch in his preface, "has anyone had at his disposal so large a collection and variety of advertisements with their actual records of results. After taking statistical account of such variables as size of advertisements, position, color, season, circulation and the like, 283 advertisements were selected from among the 3,500 as being among the more effective ones of the entire group. A set of seventeen additional advertisements, because of their known effectiveness, was included, making a total of 300 advertisements reproduced in this report."

The report then goes on to state that the statistical basis upon which these advertisements were selected, is set forth in Report 1, "An Analysis of 5,000,000 Inquiries." The advertisements, appearing over a period of twelve years, represent a wide diversity of products, presented in most of the more important general magazines and many newspapers. They embody practically all of the various styles and types found in the general advertising of this period.

The rating of the effectiveness of these advertisements involved such factors as the kind of appeal, the argument, the method of approach, the style of wording, the kind of type, the use of white space, the illustration, the layout itself, the color or combination of colors, etc. The actual results in terms of sales are also important factors in judging various types of advertising, hence these too, Dr. Starch says, were carefully considered. The result was the 300 advertisements published in this book.

Although this list of advertisements is interesting (arranged as they are in groups, such as foodstuffs, drug store products, etc.) the general effect of this book is quite frankly disappointing. As a contribution to the scientific study of adver-

tising effectiveness, it is so general that it cannot be rated very highly. For after a very brief preface, which gives only the simplest of details regarding the method used, the balance of the book is made up of the advertisements themselves, which outside of a statement of the size of the advertisement and whether it was done in color or black and white, gives practically no comment or detail as to the variables for which it was corrected, the degree of effectiveness that particular advertisement achieved, etc.

True, layout men and copy writers may be able to painstakingly study out what they think to be the characteristics of these more successful advertisements, but beyond the statement that these advertisements are all in some degree effective, this book offers no clue whatever to the reasons for or the comparative degree of their effectiveness.

In all fairness to Dr. Starch, however, it must be admitted that he makes no such claim for his report. He unquestionably does all that he claims to do—in presenting these advertisements for whatever they are worth. And undoubtedly the book is well worth the \$10.00 charged for it, when it is studied in connection with Report 1, "An Analysis of 5,000,000 Inquiries."

As time goes on, S.O.S. continues to hope that the basis for such judgments will be clearly given, whenever a judgment is offered, so that the reader can in turn judge for himself as to the soundness of that basis. And this is one thing that is sadly lacking in "300 Effective Advertisements."

Despite all this carping criticism, the writer feels that Report 2 in Dr. Starch's series should and will be bought by many graduate students of advertising who have already bought Report 1 and will be highly valued by them for what they personally get out of it.

P. S.—Dr. Starch, in a chat just prior to this review's going to press, explained to S.O.S. with characteristic diffidence that an amplification of the text along the suggested lines had been carefully considered prior to putting the book into print, but had been abandoned because he felt that the inclusion of pure opinions as to the reasons why these advertisements were outstanding should not be included in a straight factual presentation such as this book now is. He stressed the fact that these findings were not based on opinion but on actual results. I finally persuaded him, however, that a supplement briefly outlining the method of arrival at the basis of measurement of these 300 effective advertisements combined with opinions and observations on the apparent reasons for their success would be a desirable addition to the present book. Dr. Starch agreed, and an eight or ten-page supplement along these lines will therefore be sent out with every book sold hereafter and will be available for those who have already purchased the book, upon request.

Available from Daniel Starch, 420 Lexington Avenue, New York.

Do You Know the REAL Chicago Market?



Maybe your sales in Chicago come close enough to your idea of its capacity for your goods to make you feel that you are doing a satisfactory job. But what if you have accepted an incomplete picture of the Chicago market?

Chicago is tremendous. An error of 5 per cent in computing its potential market for a product can cost an advertiser thousands of good dollars. The least haziness concerning retail outlets and neighborhood characteristics and buying habits, the slightest optimistic distortion of fact may build a distribution as full of holes as a sieve.

If you know the real Chicago market, you know the work the Chicago Evening American has done in providing the first adequate, workable plan for sales control in Chicago and in making the only analysis of Chicago's buying power by definite districts. With these two great studies at your command, you are the master of your own sales destiny in America's second market. The Boone man will tell you about them both—the sooner you ask him to do so the more money you'll make out of Chicago.

**CHICAGO
EVENING**

AMERICAN

a good newspaper now in its TENTH YEAR of
circulation leadership in Chicago's evening field

National Representatives: ●

RODNEY E. BOONE ORGANIZATION

The Press **1ST** in Pittsburgh

• DURING JANUARY •

in Total lineage, with 38% lead over second paper

in Daily lineage, with 39% lead over second paper

in Sunday lineage, with 35% lead over second paper

in Retail (Local) lineage, with 31% lead over second paper

in General (National) lineage, with 66% lead over second paper

in Total Display lineage, with 43% lead over second paper

in Classified lineage, with double the lineage of second paper

in Rotogravure lineage, with 56% lead over second paper

in Advertising volume gains (In January, 1930, 9 large stores were out of The Press during a discussion of the principles of rate-making.)

in 23 of 35 advertising classifications established by Media Records, leading both other papers combined in 17 classifications.

All statements based on official reports of Media Records, Inc., exclusive of lineage in national magazine distributed with other Sunday paper.

The Pittsburgh Press

A Scripps • Howard Newspaper

NATIONAL ADVERTISING
DEPARTMENT OF
SCRIPPS-HOWARD
NEWSPAPERS
230 PARK AVENUE, N. Y. C.



MEMBER OF THE UNITED
PRESS . . . OF THE AUDIT
BUREAU OF CIRCULATIONS
and of
MEDIA RECORDS, INC.

CHICAGO • SAN FRANCISCO • LOS ANGELES • DALLAS • DETROIT • PHILADELPHIA • BUFFALO • ATLANTA

FIRST IN PITTSBURGH • IN ADVERTISING VOLUME • SIXTH IN UNITED STATES

Sales Management

Publication Office:
420 Lexington Ave.
New York. Phone
M o h a w k 4-1760



One of the best-known addresses in Detroit—the General Motors Building.

DETROIT is the market analyzed this week in the series of population studies of principal markets and their tributary areas, which SALES MANAGEMENT started in the January 31 issue. See page 322.

* * *

ANOTHER article by C. E. Knoepfel will appear in an early issue. It asks "Is Profit Assurance an Absurdity?"

* * *

THE Brooklyn Edison Company jumped sales 25 per cent last year through a series of carefully planned campaigns on various appliances. How these campaigns were handled is told on page 326 by E. A. Holmberg, manager, bureau of appliance sales, for that company.

* * *

BUYERS are often criticized by manufacturers for their squeeze-penny tactics in beating down price quotations. But aren't the manufacturers themselves to blame for a large share of the growth of this attitude? Read the article, "Are Manufacturers Making Horse-traders Out of Buyers?" (page 320), and write the editors a letter expressing your own opinion on the subject.

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RAYMOND BILL, President; PHILIP SALISBURY, Vice-President and Director of Advertising; J. F. WEINTZ, C. E. LOVEJOY, Vice-Presidents; M. V. REED, Eastern Advertising Manager; R. E. SMALLWOOD, Circulation Manager. Published by SALES MANAGEMENT, INC., 420 Lexington Avenue, New York; Chicago Office, 333 North Michigan Avenue.

What the Sales Management Washington Bureau Will Do for You

In addition to furnishing executive readers with authentic reports of governmental and private organization activities that have an important bearing on business, The Washington Bureau will accept custom assignments on a moderate per diem fee basis, from manufacturers who wish special information from Washington sources.

Through this service, SALES MANAGEMENT offers an opportunity for companies to conserve their own executive time and money which might otherwise be invested in trips to Washington for special investigations on pending legislation, trade-mark matters, the gathering of statistical data, and similar missions. . .

Executives interested in availing themselves of this confidential service are invited to address inquiries to

The Editor,
SALES MANAGEMENT
420 Lexington Avenue
New York, N. Y.

Tips

These most valuable booklets of the week will be sent free to executive readers who make a separate request for each one on their business letterheads. Booklets will be mailed by the companies which publish them.

Address SALES MANAGEMENT, Inc., Reader's Service Bureau, 420 Lexington Avenue, New York.

Markets and Media

The Architectural Forum Tenth Annual Building Forecast 1931. Insofar as activities in the building industry may be held as a barometer of trends in business generally, this booklet will be of interest to executives in even remotely related fields. It will be found of directly practical value, however, to all who are occupied with the marketing of building materials and equipment in the architectural field. It consists of a detailed analysis of prospective building activity in the year 1931, prepared for manufacturers of the building industry and their advertising counselors, by C. Stanley Taylor, director of research of the *Architectural Forum*. The phases treated include territorial analysis, breakdown of types of construction in percentages of total building, building finance and a chapter on the development of sales quotas.

The Illustrated Daily News, Los Angeles. This is a breezy folder of facts about the *Illustrated Daily News*, quite refreshing after the stuffy statistical get-up of most of such promotion pieces. It treats of serious matters like character and geography of circulation, the small size of the sheet, editorial background and pulling power, in a light vein, but the stuff's all there.

Graphic Study of the Population Groups of the United States. The research department of Dorrance, Sullivan & Company, Inc., has prepared a chart of the forty-eight states, which indicates by colors on vertical bars what proportion of the population of each state is in rural districts and towns up to 2,500, from 2,500 up to 10,000, from 10,000 up to 100,000, from 100,000 up to 500,000, and individual cities over 500,000. The other side of the chart contains tables showing number of towns, population and the percentage of the state each of these population groups comprises. You'll find it very helpful in analyzing territories, and incidentally in spotting your advertising appropriation.

High Spots. *Household Magazine* offers a silver and black brochure which tells the reasons for their 50 per cent advertising page gain in the last four years, as well as for the increase of almost 100,000 circulation in the same period.

New A. N. P. A. Standard Market Survey of Pittsburgh. Prepared by the Pittsburgh Press. Contains a complete statistical summary of facts about Pittsburgh that are pertinent to business. Data on Pittsburgh's status in finance, industry, population, utility services, etc.

Radio

Resume of Programs, President's and Committee Reports of the National Broadcasting Company. For any company occupied in selecting a radio station over which to broadcast a contemplated campaign this report of the National Broadcasting Company will supply a lot of inside information about this network's activities. This is where you can find out what company you would be keeping, what your competitors are doing in the way of broadcasting, etc.

Nationally Advertised vs. Private Brands

An Inquiry on the Wholesale Grocer's Private Brand. The marketing service of the United States Printing & Lithograph Company presents here the results of a questionnaire sent to 1,348 wholesalers, a cross-section of the group in the United States. Of the 306 responses, 194 use private brands. Send for this analysis and it will tell you: 1. How many different items each of these 194 wholesalers has privately branded at the present time, 2. Whether the practice is on the increase or decrease, 3. Whether, in relation to their entire turnover, sales of private brands are increasing or decreasing, 4. How sales volume on their own private brands compares with sales volume on the same items under other brands, etc., etc.

A Successful Experiment. Six editorials on the nationally advertised versus private brands issue reprinted from *Cosmopolitan's* Grocery Supplement, a publication reaching chain store owners, buyers, merchandising men, advertising managers, food specialty brokers, the heads of voluntary grocery chains and the executives of grocery wholesalers sponsoring voluntary chain organizations. Its object is to cooperate with these factors to facilitate the merchandising of the products of the grocery advertisers in *Cosmopolitan*. The editorials express in succinct form most of the arguments for nationally advertised products in this battle of brands.

Office System

Centralization Versus Decentralization. Gives the results of an investigation into 500 large and small offices in all types of business to find out how stenographers spend their days. There is a chart showing the time study forms used for the survey, another showing how the business day of the shorthand worker is broken up as compared with that of the dictating machine operator, a comparative production chart, one showing savings in personnel, space, equipment, costs, etc.

FIRST ASSISTANTS TO AMERICAN BUSINESS

THE FINE ART OF FORGETTING

Whether yours was a business old and wise in the lore of depressions in 1922 — or whether it is a product of the business re-birth era of the boom days—one fact you may have forgotten and that is, there is now and always has been some past experience to serve you in times like these.

If, as we are told, business is back to a 1926 level or 1924 level, or something else is back to 1921 levels—or even 1912 levels, don't act surprised in months to come to find that those economic forces which have built business up after every depression in business history are performing the same job again. But, as before, they are building only for those with the business sense and foresight to apply them judiciously and in a timely manner.

As an organization, contacting thousands of business men each week — and those thousands representing an interest in every variety of commodity and service—it is all too apparent that business is again indulging in the fine art of forgetting.

Too much of this thought, printed, would be a sermon, and it is definitely no part of our program ever to preach—but what fol-

lows must be said often today, and repeated until it has the actual power to slowly rehabilitate the structure of your business.

If you are making a good product at a fair price, in line with fair competition, there are enough people with money in the markets of this country (and the world in general) today, to buy what you make. But the onus of stimulating action on their part is directly your function. The choice of the markets in which to operate that stimulating action should be a matter of careful selection and not the all too carelessly handled action so frequently noted in recent months.

Those facts are so fundamental that their appearance in print seems out of place. A primer in college. Yet we can vouch for the need of their being often expressed when many business men, old and young, are practicing the fine art of forgetting.

Definitely representatives of the Boone Organization are in a position to aid you in re-establishing the sale of your product in one or all of the ten great American Markets in which we operate.

CALL THE



BOONE MAN

RODNEY E. BOONE ORGANIZATION

INTERNATIONAL MAGAZINE BUILDING, 57th STREET AT 8th AVENUE, NEW YORK CITY

CHICAGO
Hearst BuildingPHILADELPHIA
Fidelity Philadelphia
Trust BuildingDETROIT
General Motors Bldg.BOSTON
5 Winthrop SquareROCHESTER, N. Y.
Temple Building

EVENING

New York Journal
Boston American
Baltimore NewsChicago American
Omaha Bee-News
Washington Times
Detroit TimesAlbany Times-Union
Rochester Journal
Syracuse JournalBoston Advertiser
Albany Times-Union

SUNDAY

Syracuse American
Omaha Bee-News
Detroit TimesBaltimore American
Rochester American

STRONG IN THE SUBURBS

A recent check-up among 85,000 homeward bound commuters on 284 suburban trains on eight different railroad lines showed twice as many people reading The Sun as any other New York newspaper. The Sun alone had 38.7 per cent of all the readers. The other five newspapers had 61.3 per cent. The second newspaper had 19.4 per cent.

These are significant facts to advertisers who want to sell their merchandise in the suburbs where the buying power of the average family is high.

A copy of the 24-page book, "Reaching the Suburbs of New York," giving detailed figures, train by train and paper by paper, will be sent to interested persons making a request on office stationery.

The  **Sun**

The Newspaper of Distinction in its Readers, its News and its Advertising
NEW YORK

Significant News

• • • The better feeling apparent last week did not abate this week, showing itself in the commodity as well as the security markets. The absence of concrete evidence of improvement had little effect in discouraging the tendency to believe that a fundamental change for the better is under way.

• • • Employment conditions improved in January, according to the United States Employment Service, although the figures of the Labor Bureau of Statistics do not support this view. The reason for the seeming discrepancy, it is said, is that the figures tell the story of a limited field while the observations of the service cover the whole field.

• • • The labor figures—based on returns from 41,118 industrial establishments employing 4,510,051 persons earning wages amounting in January to \$107,473,830—show a decline in employment over December of 4.2 per cent, in payroll of 8.2 per cent.

• • • Average prices of commodities were almost unchanged last week, the Irving Fisher index being 76.3 compared with 76.4 the week before.

• • • Colonel Leonard P. Ayres of the Cleveland Trust Company finds in the number of blast furnaces in operation in January the first real evidence that the turn for the better has come.

• • • Procter & Gamble distributed nearly a million dollars in profit-sharing dividends last year, according to an announcement just made, the largest amount ever paid on that account to the company's employees. Eastman Kodak last week anticipated by from three to six months more than half its regular annual wage dividend, the amount disbursed being \$1,401,883, to quicken the buying power of its employees. Beneficiaries are the men laid off in 1930 and most of the employees in the plants in Rochester.

• • • The radio tube patent pool has been found to exercise a monopoly and therefore to be in conflict with the anti-trust laws by the Federal Circuit Court of Appeals sitting in Philadelphia. The judgment sustains the Federal district court decision announced in Delaware some months ago and confirms the appellate court's own finding in a preliminary action. The court holds that evidence of increased sales by De Forest Radio and other independents, plaintiffs, indicated only that the defendant manufacturers of tubes could not keep up with their orders. The case now goes to the U. S. Supreme Court.

• • • Safeway Stores is the butt of an application by the attorney-general of Nebraska for a district court order restraining the company from continuing ununiform prices in the seventy-five stores it operates in that state. The law invoked forbids a corporation to charge different prices for the same commodities in different localities within the state. The Merchants' Association of Nebraska and the Independent Grocers' Alliance complained that the law was violated in under-selling them.

• • • New anti-chain bills have been introduced in the state legislatures of Alabama, Arizona, California, Colorado, Georgia, Minnesota, Pennsylvania, Oregon, Texas, Washington (flat store tax), Massachusetts, Illinois

(graduated store tax), Indiana, Tennessee, Wisconsin (Kentucky law model), Kansas and Vermont (sales tax aimed only in part against chains).

• • • Blue & White Stores, a voluntary chain organization, has gone into southern California and announces its purpose to increase its ranks this year from 1,400 to 2,400.

• • • Georgia's chain store tax law has been found in violation of both state and Federal constitutions, in a judgment pronounced by the supreme court sitting in Atlanta. A discriminatory assessment of \$50 on each store above five is the offending provision.

• • • General Motors' returns for January were about as expected—sales to consumers in the United States 61,566 cars compared with 57,989 in December and 74,467 in January, 1930; to dealers 76,681 compared with 68,252 in December and 94,458 in January, 1930.

• • • The manufactured tobacco industry is one that seems to flourish in spite of dull times. All the big American companies, especially those with popular brands of cigarettes, did well last year. Now comes the report of Imperial Tobacco of Great Britain showing income of \$47,030,000, 2 per cent more than in 1929.

• • • The canning companies—American Can and Continental Can—seem to have found no difficulty in maintaining their business last year. In both cases net income was substantially the same as in 1929—striking evidence that the food business has not suffered.

• • • J. C. Penney, department store chain, and Kroger Baking, grocery chain, published interesting income statements for 1930 last week. Penney's sales amounted to \$192,943,765, 8 per cent less than the year before, while net income was \$8,290,622, a decrease of nearly 26 per cent. Profit on sales was 4.3 cents on the dollar last year, compared with 5.3 cents in 1929.

• • • Kroger's sales were down 6.8 per cent to \$267,086,028 and net was off 63 per cent to \$2,168,247. Profit on sales was 0.8 cents on the dollar against 2.06 cents the year before.

• • • Business Machines sales and profits increased about 10 per cent in 1930 over those of 1929 according to President Thomas J. Watson. Net income he estimated at \$7,300,000 (\$11.50 a share) compared with \$6,705,967 (\$11.03 a share). Accurate statistical records seem as necessary in bad times as in good times. Probably more so.

• • • Hupp Motor Car lost \$922,765 last year. The year before the company had a net income of \$3,468,936. Chrysler Car dropped from net income of \$21,902,168 in 1929 to \$234,154 in 1930.

• • • Congoleum-Nairn income figures for 1930 reflected the full extent of the arrest of buying in that year, net income having dropped from \$2,213,830 in 1929 to \$208,839.

• • • Cigarettes imported into China, a good customer of this country for these products, are to be subject for six months to an excise tax equal to half their value.

What a Complete New Selling Plan Did for Gifford-Wood

BY GEORGE V. CHRISTIE

*General Sales Manager, Gifford-Wood Company,
Hudson, New York*

1930 was a banner year for Gifford-Wood. Both sales and profits reached a new "high" when old-fashioned methods were junked and new policies introduced to meet present-day problems.



George V. Christie

THE Gifford-Wood Company manufactures elevating and conveying machinery, ice tools, sheet and structural work, and designs and erects retail coal pockets. In approximately one year's time we accomplished the following:

1. We greatly increased sales of units to retail coal merchants.
2. We reduced unprofitable lines, clearing out slow-moving stocks.
3. On a product generally priced from 20 to 30 per cent higher than competition, we maintained prices practically 100 per cent—and that in a year when the buyer was supposed to be the dictator.
4. We improved the pulling power of our direct mail and trade paper advertising.
5. We reduced salesmen's traveling expenses far below previous years.
6. "Hard times" to the contrary notwithstanding, our plant operated in double shifts a good part of 1930. In spite of the unemployment situation, we recently had to advertise to secure additional moulders for the foundry.

These accomplishments were the re-

sult of the following ten sales policy changes:

1. We reduced markets — and achieved selectivity. Ever since its founding, in 1814, the Gifford-Wood Company has been, and still is, identified, first with the natural ice industry, then with the manufactured ice and the retail coal industries. In the course of our history many engineering problems have been solved and their solution has often led to the manufacture of products for other industries. Thus, until the last eighteen months we made products for package handling, railroad coaling, factory conveying and other industrials besides our regular lines for the coal and ice industries. Under the new plan we are confining our manufacture, designing and erection to the retail coal plant, the ice industry and to equipment for sand and gravel handling plants. The strictly industrial adaptations of our products are being handled by a subsidiary company.

2. Again we achieved selectivity by reducing our line of products. We cut out minor coal-handling equip-

ment, most of the boiler house equipment and other materials unrelated to the industries on whose problems we concentrate.

3. We reorganized the selling force so that now fourteen salesmen sell the coal field and six salesmen specialize on both natural and manufactured ice. Formerly the men did not specialize.

4. We achieved selectivity by concentrating salesmen's efforts on the best prospects. Formerly the salesman relied upon phone or mail inquiries. Now he manufactures his own inquiries through missionary work and is taught to concentrate his efforts on the customers who can best buy the product.

In order that the salesman get to know his prospects and territory thoroughly, it is obligatory that after his first call he fill out a report which amounts to a survey of the prospect's plant. Thus by their size and character, prospects classify themselves into five types for five different kinds of equipment. At the home office these reports are entered on different colored cards and form the basis for

direct-mail bombardment that is definitely specific in character. Thus any group or combination within the five can be definitely circularized within any salesman's territory.

5. We concentrated advertising and coordinated it with selling. Before the advent of the new plan, advertising effort covered too much ground. Trade paper advertisements were scattered over many markets and many publications. With the aid and full cooperation of our advertising agency, advertisements are now concentrated in the publications reaching the major markets. Many "me too" publications were stricken from the list. That the advertising is being seen by our customers may be judged from the fact that every retailer called on during a recent policy trip of the company's president, Benedict Gifford, mentioned the company's advertising of his own accord.

Direct mail is being used extensively. Mailing permits, individualized catalogs, stampless return cards and other innovations have reduced former postage costs nearly 30 per cent. Each salesman receives preprints of current trade paper advertisements and reprints are mailed to his selected prospects. Mimeographed letter campaigns serve for special purpose selling and for general industry mailings. At least six letters a year reach every prospect. For close work with the salesman there are several letter campaigns, coded for the salesman, to be shot to prospects before and after his calls. Salesmen request these on their daily report forms. The average returns on three test folder mailings were almost 12 per cent. The salesmen like this selling help so much that as many as fifty series of mailings go out daily.

Catalogs Simplified

The catalogs have been simplified and concentrated. Formerly seventeen catalogs existed, one of which was a general catalog. Now these seventeen catalogs have been reduced to seven bulletins, ranging anywhere from eight to forty-eight pages in size. Being of standard eight and a half by eleven inch size, they may be used separately, or may be bound together to form a general catalog. Correction or reprinting because of obsolescence is easy, economical and assurance to our customers of constantly up-to-date literature.

A recent bargain counter stunt proved that these new catalogs have pulling power. In the warehouse was a supply of old equipment, perfectly usable but not as efficient as later models. Rather than scrap this equip-

ment, we ran a bargain counter section on colored paper in one of the catalogs, listing this equipment at very low prices, although about twenty times its scrap value. Before this catalog had been out a week, seven lines in the bargain counter section were cleaned out. Incidentally, many of these buyers bought articles in the regular line.

6. We changed the advertising appeal both as to copy and artistic dress. Formerly the copy talked about the products, but not in terms of the buyer's first interest. Typographically the advertisements weren't up-to-date; in fact the logotype was of a design that was the last word "befo' de wah." Under the new advertising policy the advertisements talked profits to the buyer. The dress of the advertisements was made striking. This change has paid for itself because two coal pocket sales (the average sale price is about \$20,000) have been traced directly to the trade paper advertising.

Territorial Selling

7. We have changed to territorial selling. Under the old method salesmen were not held down to specific territories. They went wherever the inquiries happened to come from. Now there are fourteen territories east of the Rockies for salesmen selling the retail coal field, and six salesmen, selling the manufactured and natural ice industries, handle territories with headquarters at Chicago and three at New York. Each salesman is required to do most of his traveling in an automobile, which he owns himself. He is paid at the rate of seven cents a mile, which covers all car expenses. Now, instead of the former monthly traveling and expense account, he makes one out every week. Detail is eliminated. There are three headings: railroad fares; bus, street car and own car fares, and miscellaneous covering all contingencies. No entertainment or gift expense is allowed. As a result of this strict policy, salesmen's traveling expenses have been cut materially.

Although there are two supervisors, one for the east and one for the west, each salesman routes himself on the basis of his original plant survey made on the first call. Daily reports have been synopsisized so as to eliminate the burden of detail. Supervisors guide the men only in curbstone sessions and in making closings. There are no annual sales conventions. When a salesman gets an order to be delivered out of his territory he splits his commission with the salesman in the territory where the equipment is delivered. Where service is required the

salesman on the installation end receives a larger percentage of the commission.

8. We have instituted a new sales compensation plan based on quotas. With definite territories for each salesman, a quota was set based on the composite factors of previous business from the territory, the individual salesman's record and estimate of general purchasing trend in the industries to be sold. Each salesman now receives a salary, a commission on the business he gets on which there has been no price cut (otherwise none), and a commission or bonus on volume done over quota. During the first nine months this compensation plan was in effect several salesmen equaled or beat their year's quota.

A rather substantial portion of the Gifford-Wood Company's volume consists of ice tools of all sorts. Since their selling is not technical like that of the special ice handling machinery, leading ice manufacturers buy their needs year in and year out much as they would order staple commodities. Lest the salesman fail to pay attention to this lucrative though prosaic end of his line, he is allowed no commission on the sale of ice tools unless he actually sends in the order himself.

Advertising Brings Orders

9. Merchandising plans have been prepared to help the selling agents of ice tools. In the case of one local representative, for instance, an advertisement of a unit machine with standard price displayed was run in a sectional ice trade journal. Close upon its appearance the representative received an order with check for \$550 attached to a tearsheet of the advertisement. A telephone call from another reader resulted in a second sale.

10. We have adopted the policy of strict price maintenance. No salesman gets a commission on business unless it is full price. Salesmen are never allowed to cut price. In a recent case in the middle west an enormous order was turned down because the buyer demanded a 7 per cent cut from list price. Sticking to one price policy has distinct advantages. Because the salesmen know they may not cut price, they spend their time and effort selling the buyer instead of selling their own organization on accepting a cut price. The best proofs of the policy, however, are found in the statistics. Last year, as nearly as can be reckoned, the Gifford-Wood Company sold almost 80 per cent of the coal pockets let in the entire country, despite the fact that the product is priced 20 to 30 per cent higher than competition.

BY JAMES TRUE

Are Manufacturers Making Horse-traders Out of Buyers?

There is nothing "secret" about secret rebates, and these, as well as most other forms of special discounts, are merely indications of weak-kneed policy on the part of the manufacturer, the three big buyers interviewed here declare. By failure to establish and stick to a rigid price policy, manufacturers are robbing themselves of a just profit, and further tangling their own distribution problems. "We are still buying *merchandise*—not concessions!" one buyer points out.*



THERE is no valid justification for advertising allowances, secret rebates, confidential discounts and all other price rackets, according to officials of three large and typical department stores. Evidently the many manufacturers who use the rackets as inducements to buy fail to realize the attitude of the managements of department stores regarding the practices. For these

* This is the fifth article of a series on various types of advertising and selling rackets. The first appeared November 8, 1930 ("Advertising Rackets"); other articles appeared January 17, 1931 ("The Drug Trade, Too, Has Its Advertising Rackets"), January 31, 1931 ("Hello, Sucker!"), and February 14, 1931 ("The Discount Racket—Arch Enemy of Profits").

officials condemned all forms of secret discounting as unethical and economically unsound, and said that much confusion and many losses were caused by the practices in the department store field.

The three stores are located in a city of more than 500,000 population. The first man interviewed is the buyer for a department which handles a number of nationally advertised items. The store is a unit of a chain that is one of the largest in the country. The buyer has held his

present position for about six years, and said that he had been a buyer, for more than ten years, for one of the largest buying syndicates in the world.

"Since the war," he continued, "the development of price rackets is a phenomenon I can't understand. The advertising allowance or rebate is the most common form, and it is simply a device to close sales and land orders. Ours is a very large organization, and because of the quantities we purchase we think we are entitled to inside prices; but I cannot understand why there should be anything secret about quantity discounts.

"In most instances the advertising allowance is nothing but a cut in price.

It does not deceive anyone, and we always figure it off in arriving at the net cost of our goods.

"Of course, there is a legitimate form of advertising cooperation. Occasionally a manufacturer offers to advertise his goods over our name, and allows us to bill him for the space arranged for. This we consider good business because it moves the goods, and the manufacturers who adopt the practice realize where their profits really come from—the regular and profitable flow of their merchandise through the stores of the country.

"But the great majority of those who sell us evidently are so intent on merely inducing us to buy that they fail to realize how their profits are really made. This lack of stable policy compels a buyer to resort to many disagreeable and questionable practices to get the best price. I am acquainted with several hundred department store buyers, and I do not know one who does not condemn all forms of advertising and other rebating. But what can we do about it?

"It is up to every buyer to buy goods as closely as possible, and if he allows a manufacturer to sell him at a price above the price paid by another store, his stock goes down with his house. There is no such thing as a *secret* discount. Merchandise managers and buyers have a way of finding out everything about prices and allowances, and there is nothing that buyers dread more than to be caught paying more than they should for merchandise.

"A buyer's value to his store depends on his ability to purchase goods that sell readily and profitably. His time should be devoted to studying merchandise from the viewpoint of its salability. But because of the price policies of most manufacturers, the buyer is compelled to neglect the most important factor of his business in order to protect himself and his store.

"For instance, yesterday I looked at a line we want. I know the goods will sell in our store, and I selected a liberal quantity. In a case of this kind I would not let 2 or 3 per cent prevent me from buying the merchan-

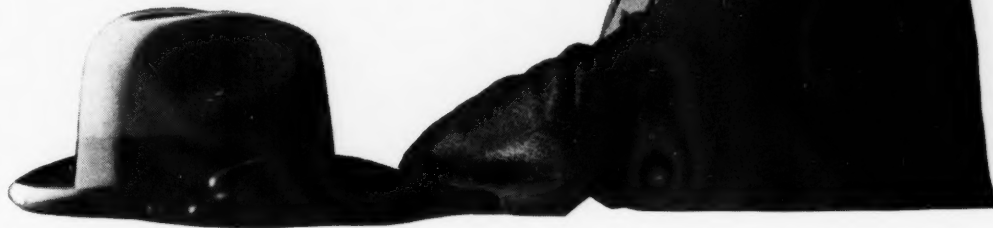
dise; but I was satisfied that the salesman had not given me his best price. I told him that several stores were getting 3 per cent better than his quotation, and that he would have to give us the same price if he wanted to get our business.

"This he denied, and he refused to grant the discount—yesterday. This morning, however, he came to the store and said he would make a confidential concession in the form of a 3 per cent advertising allowance.

"It took more than twice the time it should have taken to buy these goods. The loss was appreciable, for I neglected important business. However, I am responsible for getting the lowest possible prices, regardless of the waste of time. I am convinced that the system of the manufacturers wastes millions of dollars every year for the stores, and I believe the loss of the manufacturers, due to the same cause, is even greater."

The buyer then explained that the losing of many accounts can be directly traced to the variable pricing by manufacturers. He mentioned a typical

When manufacturers continue to grant rebates and "advertising allowances" on top of what is averred to be their "best prices," can the buyers be blamed for looking with suspicion upon every price proposition presented? — and for holding out for still another 1 per cent?



Photos by Anne Shriber

instance and said that he could relate many like it from his experience. It seems that one of the stores of the chain had been selected to try out a widely advertised specialty line. The items were selected, and after the buyer was convinced that the salesman had given her his best price she sent the order to the merchandise manager for approval.

The manager sent for the salesman and told him that his house was giving two large accounts a confidential discount of 5 per cent. The salesman wired his home office. At first the company denied the claim and refused to grant the discount; but wires were exchanged for several days, and then

the home office gave the price-cut in the form of an "advertising allowance."

"Amazingly," the buyer continued, "the manufacturer did not realize the potential danger of a practice of the kind. When the buyer of the department learned of the transaction she was furious. From her viewpoint, her reputation with the management of the store had been injured through the deception, and she told me that she had instructed every girl in her department to sell as few of the goods as possible. Undoubtedly because of her attitude, the line was a failure in our store, and, at the insistence of the buyer, the goods of a competing manufacturer were soon substituted—a line that is now handled by all our stores.

"Although the loss of this account was plainly due to the granting of

of our claim that the large buyer should have a price preference, has the honest foresight to quote quantity discounts openly, with no rebates nor allowances of any kind. We buy and push their goods in appreciation of their honesty and fearless merchandising policies.

"Small buyers are seldom deceived by the so-called confidential discounts to quantity buyers. I have talked to many of them who are well informed as to what is going on. Therefore, why should there be a mysterious and deceptive cloak thrown about any manufacturer's transactions? There is no doubt that the straight, invariable price policy is the best and most profitable policy, and if all manufacturers would adopt it they would furnish a God-send for which every department store buyer in the country would be grateful."

The second official interviewed is the general manager of one of the most successful and aristocratic stores in America. For more than forty years this store has been building up a business of the highest class.

When the subject of price rackets was mentioned this manager smiled sadly and remarked that the rapidly disappearing standard of confidence in buying is demoralizing the entire industry. "Before the war," he said, "nearly all of our merchandise was bought with the certainty that the manufacturers were giving us a square deal. Now we find that with a great many purchases our buyers must take every precaution to get the best price for the store. This is demoralizing to our buying organization; it is confusing and costly, and it is rapidly breaking down the relationship between the manufacturers and the

best class of department stores which was based on confidence and on which the department store business in this country was established and developed.

"If the various price and discount rackets are allowed to continue, I fear for the future of the business. My store does not want a price advantage over any other store. We never have asked any manufacturer to give us a better price than he was giving a competitor or a store of our size and standing in any other city. But we do demand the best price a manufacturer has offered, and to get it, in the buying of a large part of our volume, we are compelled to do many things that

(Continued on page 344)

the confidential discount, I am sure it would be difficult to convince the manufacturer of the fact. The tendency of all practices of the kind is to accomplish just the opposite of the results they are intended to accomplish. I am convinced that if all of the results could be revealed they would prove that advertising allowances and all other covered methods of granting inside prices lose more business than they attract in the department store field.

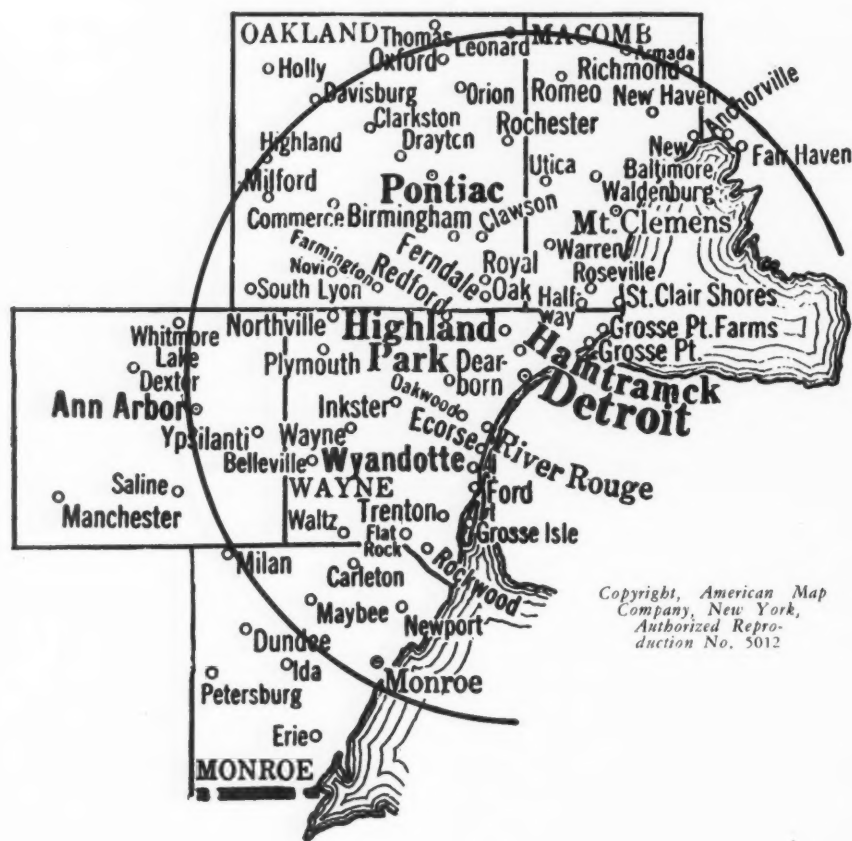
"A few of our manufacturers have but one price, regardless of quantity. We buy from them because their goods sell readily and profitably. Another small group, in recognition

Population Studies of Principal Markets and their Tributary Areas

The outline of tributary areas, as shown by map and text, is advanced only as a rough approximation (keeping to county lines) of the trading area of each major market. Audit Bureau of Circulations statements were consulted for the definition of "carrier limits," "trading radius" and "eight largest cities within trading radius." See notes for sources of additional material on each market.

Number Four: Detroit

(A.B.C. Trading Radius: 30 Miles—Shown by Circle on Map)



Essex County, Ontario, is not shown on the map, although it is included in the tabular analysis, since Windsor is one of the eight largest cities outside the carrier limits but within the trading radius. In the Detroit area is again evident the more rapid rate of growth in suburban communities.

BETWEEN 1920 and 1930 the Motor City held fast to its place as the fourth largest market in the country, with a 57.9 per cent gain in population. This rate of growth is better than four times the rate of national growth, which was 16 per cent. Municipal Detroit is now credited with a population of 1,588,662.

Previous studies in this series covering New York, Chicago and Philadelphia have all shown the same trend: a much more rapid rate of growth in the outlying and suburban areas than in the municipal area. The same is true of Detroit. While cities over 10,000 within the carrier limits jumped 47.0 per cent, the eight largest cities outside the carrier limits, but within the trading radius, increased 79.6 per cent. Other cities over 10,000 within the trading radius increased 803.3 per cent. The principal factor in this last group is Dearborn, Michigan, home of the broadscale operations of Mr. Ford.

The counties analyzed, as a group, showed an increase of 64.6 per cent. In this area the per capita spendable income is \$983.

Figures on total spendable money income as tabulated are taken from an original statistical study made by SALES MANAGEMENT and presented, complete, in the annual reference number of this magazine issued September 27, 1930. For a full explanation of the method through which those figures were evolved see pages 9, 10 and 11 of that issue. The figures on per capita spendable income as tabulated in this series of studies do not agree in all cases with the figures printed in the reference issue, since they have been corrected to correspond with the final 1930 population figures as compiled by the Bureau of Census. At the time the Reference Issue was printed only approximate figures were available.

Market information about the Detroit area may be obtained from: Detroit: *Daily, Free Press, News, Saturday Night, Times* and *D. A. C. News*; Ann Arbor: *News*; Pontiac: *Press*; Windsor (Ontario): *Border Cities Star*.

Previous studies in this series covered New York City (January 31,

An Analysis of 1930 Population Figures for Detroit and Surrounding Territory Compared with 1920

The tabulations and analysis presented in this series are original with SALES MANAGEMENT and are copyrighted. Reproduction, except by permission, is forbidden.

Cities	Miles from Detroit	Population 1920	Population 1930	Per Cent Gain or Loss	Counties	Population 1920	Population 1930	Per Cent Gain or Loss	All Spendable Money income 1929 (000 omitted)	Per Capita Income
Detroit		993,678	1,568,662	57.9	Wayne	1,177,645	1,888,946	60.4	\$2,094,443	\$1,088
* Hamtramck	3	48,615	56,208	15.6						
* Highland Park	5	46,499	52,959	13.9						
* River Rouge	6	9,822	17,314	76.3	"					
* Lincoln Park	8	1,012	12,336	1118.9	"					
* Ferndale	9	2,640	20,855	689.9	Oakland	90,050	211,251	134.6	220,840	1,045
** Wyandotte	7	13,851	28,368	104.8	Wayne	See above				
** Pontiac	26.3	34,273	64,928	89.4	Oakland	See above				
** Royal Oak	13	6,007	22,904	281.3	"					
** Ypsilanti	28	7,413	10,143	36.8	Washtenaw	49,520	65,520	32.3	46,017	702
** Ann Arbor	36	19,516	26,904	38.1	"					
** Monroe	34	11,573	18,110	56.5	Monroe	37,115	52,485	41.4	23,138	441
** Mr. Clemons	22	9,488	13,497	42.3	Macomb	38,103	77,176	102.5	35,665	462
** Windsor, Ontario	2.6	38,591	68,004	76.3	Essex, Ont.	99,447	161,469	62.3		
*** Dearborn	10	2,470	50,358	1,938.8	Wayne	See above				
** Ecorse	8	4,394	12,716	189.4	"					
*** Grosse Pointe Park	7	1,355	11,174	724.6	"					
TOTAL FOR AREA						1,491,880	2,456,847	64.6	\$2,420,103	\$98

* Cities over 10,000 within carrier limits (A, B, C.)

** Eight largest cities outside carrier limits, but within trading radius (A. B. C.)

*** Other cities and/or counties over 10,000 within A. B. C. trading radius.

"Miles from Detroit" figures are from the Official Guide of the Railways, and, in a few instances, automobile road maps.

1931), Chicago (February 7, 1931) and Philadelphia (February 14, 1931). A similar study of the Los Angeles market will appear next week. Cities are being presented in the order of size of municipal population, beginning with the largest.

Attractive Packages to Get Silver Cups

A silver cup will be awarded annually by the Glaser Crandell Company, Chicago, preserves, through the National Canners' Association, to "that packer of food products, who, during the preceding year, has contributed to the industry the most beautiful new package of foods put into regular production and distribution."

In making the announcement, Richard Glaser, executive vice-president of the company, said he has "felt for some time that many of the ills in the food industry were directly attributable to a lack of guild spirit, or of pride of workmanship; that too many members of the food industry were merely workmen engaged in producing just a pound of 'stuff' at the lowest possible price."

N. B. C. Promotes Page

Joseph Page has been appointed sales manager of the Pacific Coast Biscuit Company in Seattle, succeeding A. E. Lemke, who has been transferred to Los Angeles. The company is a subsidiary of National Biscuit Company.

President's Committee Launches National Drive for Employment

"Put a neighbor to work" is the theme of a nation-wide advertising campaign just inaugurated by the President's Emergency Committee for Employment, under the direction of Colonel Arthur Woods, chairman, in 1,900 daily newspapers, car cards,

radio, pamphlets and other media. A "spruce up" campaign for the building materials industries has already been inaugurated, Kendall K. Hoyt of the committee informed SALES MANAGEMENT, and specific campaigns on lumber, paint, plumbing, electrical fixtures, tinning and household textiles are being projected.

Four advertisements have already been released to newspapers, covering the "odd jobs" campaign and referring to a series of pamphlets suggesting methods for speeding up repairs and improvements and providing work for additional people.

Some 100 trade associations are participating in the movement, Mr. Hoyt said.

Radio addresses are being made by prominent speakers and "we are circulating 75,000 car cards, through the cooperation of Barron Collier."

The women's division of the committee is promoting home modernization—suggesting 151 possible improvements. In the aggregate, Mr. Hoyt believed, "the program represents one of the largest advertising campaigns in recent years."

Certain industrial and distributive fields, it is said, are already getting direct results from them. Among these are the paint retailers.

[illegible]

One of the newspaper ads.

BY DANIEL W. JANOVER

Secretary-Treasurer in Charge of Sales.
S. Gumpert Company, Inc., Brooklyn, New York

A Simple Formula for Building Successful Salesmen

If you would cut turnover to a minimum, and get maximum returns from selling effort, teach your men: 1. Confidence in their company; 2. Faith in its methods, and 3. Respect for its management.

THE greatest era of selling American business has ever known is drawing to a close. Selling is being superseded by merchandising, and there is a vast difference. The salesman is taking a more important place than ever in the new distribution; but he has become more than a salesman in the old sense of the word, and he requires a different kind of management.

For thirty-eight years my company has manufactured and merchandised a line of food specialties that now total more than 1,000 items falling into about seventy groups, sold to bakeries, hotels and restaurants, distributors of soda fountain supplies, ice cream manufacturers and institutions.

In merchandising our products we have developed and trained a sales force that now numbers about 225 men. For several years, our salesman employment turnover has been practically nothing, and seldom has a salesman left us to go with a competitor; they either quit us because of old age or death. Based on convincing evidence, my conviction is that we have the most loyal, hard-working, intelligent and effective force of salesmen in the country, and every man is a specialist in merchandising.

For these reasons, undoubtedly, the editor of SALES MANAGEMENT has asked me to prepare an article on the training of our salesmen, and I am glad to comply in the hope that some

*Two previous articles on sales policies of this company appeared in SALES MANAGEMENT for September 20, 1930 ("Price Policies that Insure Profits"), and January 17, 1931 ("How We Keep 'Flat Tires' off the Sales Force").

of our methods may be of suggestive value to manufacturers in various lines. For many years I have been reading articles on the subject, and from them I have acquired some helpful ideas; but the fault with most of these discussions is that they deal with expedients and practices, rather than with fundamentals. It seems to me that these articles are too much concerned with pruning the branches of the old distribution tree instead of getting down to the source of its strength and fertilizing the roots.

Training our salesmen is essential; but it is not as important as the relations of the company with the men. And of utmost importance is our policy, the motive of our business, in devising new products and planning sales methods to serve the interests of our customers. It is possible that the best trained salesman, the best order-getter in the industry, would be a liability instead of an asset to us. Taking orders is the least of the duties of our men. A large part of our volume is ordered by mail. Our purpose is to merchandise our products, and our greatest problem is to keep our salesmen thinking and working to build up the business of our customers.

After all, the purpose of every manufacturer is to manage his salesmen in a manner that will enable them to promote a profitable, permanent and steadily increasing flow of his merchandise through his channels of distribution. Given a force of well-

"When a salesman slumps because he owes money, we lend him enough to wipe the slate clean, with the understanding that he is to repay us at his convenience . . . a man can't do good work if he is worried."



Photo by Lazarnick

trained salesmen grounded in an essential, soundly economic merchandising policy, and this result is attained, not through the expediency of plans and practices, but solely by the attitude of the management toward the men. It is the fundamental things that make up the proper attitude of management that I wish to discuss, for we have found them to be the heart and soul of our sales organization.

Every man who joins our sales force must take a course of training in the processing of our specialties and in the

production methods of his class of trade. We are really conducting five kinds of business under one policy, for our sales force is divided into as many independent groups, each under its own sales manager, and each devoted to merchandising our goods to one of the lines I have mentioned. When we find a man we want, we bring him to the factory to learn everything we can teach him about our specialties in relation to the line of business in which he is to work.

The new salesman takes off his coat, rolls up his sleeves and goes to work in one of our model plants. For his training, and for experimenting and testing, we operate a small but fully equipped bakery, an ice cream plant, kitchens and a laboratory. By actually doing the work himself, every Gumpert salesman must become familiar with the varied processing of every item he carries. He must then learn how every item fits into the production of his customers and a good deal about how they conduct their business.

Merchandising Principles

For many days, also, the new man is schooled in the principles of our merchandising policy. Before he represents us, he must be convinced that our way of conducting business is the best way, and that our policy is sound and best for himself as well as for the company and the customer. Furthermore, regardless of the fact that he must handle from three to five hundred items, he must realize that he is a specialty salesman and a merchandiser.

In a recent article for SALES MANAGEMENT, I explained how practically all our products are sold as specialties, and told how they are merchandised to keep them above competition and to demonstrate their application to the business of our customers. Our men are also thoroughly trained in these features; but their success as a sales force may be attributed more to our attitude toward them and the relationship with them that we have cultivated for many years.

Our policy has a great deal to do with this relationship. The sales manager of a large company in a different line recently told me that a number of his salesmen were falling down, and that he did not know why. I inquired about his policy and how he was adhering to it. He looked surprised and asked what the policy had to do with it, then admitted that he had made a few exceptions to the company's policy some months before, but claimed that it was nobody's business but his own.

An equitable, sound policy has everything to do with the effective

working of a sales force. It is humanly impossible for salesmen to do their best work unless they have confidence in their company and faith in its methods. Also, a successful salesman must have some pride in his goods and his company, and a good deal of respect for its management.

It is impossible for any company to make exceptions to the selling policy without its salesmen knowing it. There is no such thing as a secret discount, as far as the sales force is concerned. Therefore, the company that sells one class of trade at special concessions compels its salesmen to lie in order to sell another class. And a salesman who has to lie to his customers in order to sell his goods cannot have any pride or confidence in his house nor any respect for his management. There is no doubt that secret discounts and special concessions have sapped the vitality of many a good sales force.

Our salesmen take considerable pride in the fact that the prices they quote are the best that anyone can get from our company. Whenever the subject of concessions is brought up, they dismiss it with a laugh. To them, a concession, rebate, secret discount or anything of the kind is just one of those things that are impossible, and in summing up the reasons for the loyalty and success of our sales force, I place first our adherence to a sound and fixed merchandising policy.

No Hagglng Over Price

Our men never lose any time in haggling over prices and in refuting charges of preferential discounts, for our customers and prospects have been taught to know that a salesman's quotation is absolutely final.

The salesmen's remuneration is another important factor. While no honest men can be loyal solely to a pay check, the motive and attitude back of the check contribute to both his loyalty and his effectiveness. It seems strange to us that discussions of how and how much to pay salesmen are so popular. A week seldom goes by that some sales manager does not ask me how we estimate the remuneration of our men. Usually, too, the inquirer expresses the belief that he is paying his men too much, and is obviously trying to reduce selling costs by finding a way to curtail the earnings of his men.

We pay our men salaries and expenses, and in every case their cost to the company is accurately based on the profits they produce. In our line of business, we are convinced that straight salaries are the best form of remuneration; but the method of payment is not important. However,

every salesman is entitled to a fair share of the profits he produces, and we pay our men accordingly. All salaries are based on quotas. When a man passes his quota he gets a raise; when he passes his super-quota he gets another raise, and salary adjustments are made every six months.

When a salesman first goes out for us, we pay him a fair salary and we insist that he must warrant an increase within ninety days or we part company. We also assure him that it will delight us to raise his salary as much and as frequently as the results of his work justify. We also tell him that the more he earns the better we shall like him, for the reason that our highest salaried men are the most profitable to the company.

Trouble with Small Earners

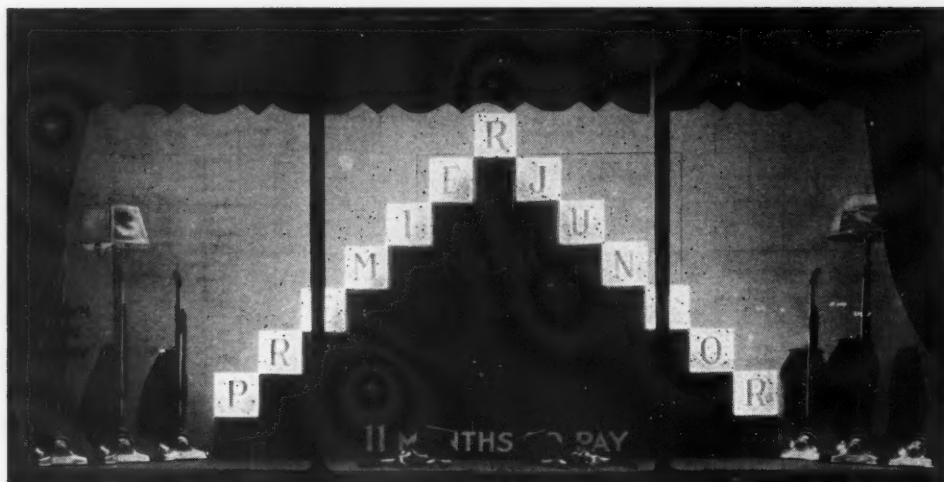
It is significant that the few troubles we have with the force are invariably with salesmen earning the smallest salaries. When we can get a salesman to earning \$5,000 or more a year our problems with him are solved. There is something about passing the \$5,000 mark that gives a man assurance and confidence. He has proved himself, his company and his goods to himself, and he always goes out after greater earnings. Our most serious problem with our salesmen is to get them into the \$5,000 class. After that, invariably, a man will take care of his territory and himself with a minimum of management.

In other ways, also, money has a good deal to do with the efficiency of a sales force. When one of our men falters in his work, we know that while it may be attributable to one of half a dozen causes, it is probably the result of indebtedness. So when a salesman slumps because he owes money, we lend him enough to wipe the slate clean, with the understanding that he is to repay us in a way that is convenient. We explain that this is safer for him, that he can't do good work if he is worried, and he is soon working with his old vim and with a new feeling of friendship for the company.

And sometimes a domestic problem is mixed up with money matters. An extravagant wife may be driving a salesman into debt, and in many instances she may heed what we say when she won't listen to her husband. But whatever the cause, whenever a friend can accomplish anything, we do what we can to relieve the minds of our salesmen.

If a man's work falls off because of ill-health, we do everything possible to get him into good physical shape. Two years ago a young sales-

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Window displays tied in with newspaper advertising to lend impetus to the sales drives on various appliances.

A Sales Plan for Every Month Jumps Edison Volume 25 Per Cent

BY E. A. HOLMBERG

*Manager, Bureau of Appliance Sales, Brooklyn Edison Company,
Brooklyn, New York*

PESSIMISTS to the contrary, during 1930 the Brooklyn Edison Company increased its appliance sales almost 25 per cent over 1929. To accomplish this result it increased its advertising and added to its selling manpower.

Underlying these immediate action steps are the following sales policies:

Engage in one major and one secondary activity each month. Thus in pushing specialties, the company is able to take advantage of seasonability and special sales appeal to help even out fundamental sales "valleys" in its merchandising curve.

Though less than 50 per cent of the total appliance sales are made in sales of specialties, concentration on them periodically helps boost sales all along the line.

Support your sales effort by heavy advertising. It pays, as the results of the last year have indicated. In the case of newspaper advertising, for instance, the sales increase of the Brooklyn Edison Company was partly due to the fact that the New York Edison System substantially increased its metropolitan advertising.

Other forms of advertising used are subway and elevated station boards beginning with 1931. Also there is a heavy window display activity and the monthly mailing of folders to more than 2,000,000 New York Edison consumers with their bills.

Take advantage of timeliness. This winter has brought a prevalence of the flu. So in January, which is usually

a weak sales month, the New York Edison System pushed heating pads and sun lamps in its metropolitan advertising. The result was that the Brooklyn Edison Company sold in twenty-eight days more sun lamps than it did during all of 1930.

Handle your sales force according to the Golden Rule. Brooklyn Edison salesmen are compensated on a base salary plus commission. They are given an opportunity to make money for themselves and load building sales for the company. One salesman in a two months' summer campaign on irons sold over 800 on "cold turkey" canvassing.

Brooklyn Edison salesmen receive continuous stimulation in the form of all sorts of sales helps. In major campaigns, weekly bulletins, mass meeting and special bonuses keep the sales force on its toes.

In every case the bureau manager offers to fight the salesmen's battle. Here's one way the salesmen have balanced the ledger. The last day of an electric iron campaign, the Brooklyn Edison sales staff was unexpectedly presented with the job of selling 450 irons. The sales force was asked to fight the bureau manager's battle and accomplish this. They not only sold the 450 irons in one day, but sold 151 more.

Give cooperating manufacturers a real chance to cooperate. To explain what I mean and also to show how a major campaign is conducted, take the case of the Premier Vacuum Cleaner campaign this fall. The ten weeks' "Around the World Cruise" campaign was on the Junior model of Premier. Sales in terms of miles traveled around the world by the different companies of the New York Edison System were posted daily. Special bonuses were offered for beating the quota, placed at \$1,500 for each inside and outside sales person. Weekly awards were offered for high salesman and saleswoman. Also for high man and woman for every fifteen-day period. Eight prizes were offered to sales persons with the highest standing during the whole campaign.

Each sales person was equipped with a complete demonstration kit. Made of leatherette, a heavy red cardboard material, the kit was fitted with four pockets, containing kapoc, soda, sand and hair. Other pockets contained sales blanks, literature and printed sales helps; in fact, all the material necessary to demonstrate a vacuum cleaner and close a sale.

To start the campaign off right a dinner meeting was held at which executives of the Premier company and

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67,000 inquiries

from a total circulation of 138,000

For sixty consecutive publication days beginning September 29th, The Indianapolis News printed each day a different cartoon representing some well-known proverb. Prizes aggregating \$3,000 were offered for the most nearly correct list of proverbs depicted. Beyond supplying the answers to the cartoons, there were no requirements for entrance into the contest, and no obligations upon the contestant.

During the sixty days, The News answered 67,000 separate requests for a circular giving complete contest information. *67,000 inquiries from a total circulation of 138,000!* The significance of this amazing response will be obvious to all careful buyers of advertising. It means simply that The News enjoys a remarkable degree of reader interest, confidence and responsiveness. Advertisers in Indianapolis who want greatest returns per advertising dollar will turn these invaluable assets to their own advantage by *concentrating* in The News.



Member of the 100,000 Group of American Cities

THE INDIANAPOLIS NEWS

1st in Indianapolis for 36 consecutive years

New York: DAN A. CARROLL, 110 East 42nd Street

DON U. BRIDGE, Advertising Director

Chicago: J. E. LUTZ, Lake Michigan Bldg

For Sale~



THE ASSOCIATED 
TWO-NINETY-FIVE MADISON

One-Third Interest in the Business Man

THREE interests divide the American business man—his home, his recreation and his business. And of these the most intensely concentrated is his interest in business success. Eight hours or more each day, it occupies every minute. In the remaining sixteen hours, it colors all his waking or sleeping thoughts—for home and recreation alike depend on his success. And because he is vitally concerned with success, he is a reader of the Business Paper that directly affects his ability to succeed.

Hence Business Paper advertising is the easiest, surest way to reach this intense third of the business man's life—to reach him as a factor in production or distribution. Any appeal to the business man's business interests belongs logically and inevitably in his own Business Paper.



Sixty major lines of business recently surveyed by A. B. P. editors report active buying programs for 1931, aggressive merchandising of new services and new commodities developed through research, the invasion of style into the fields of staples, the reduction of manufacturing and selling costs. These activities will be initiated or influenced by the 1,400,000 subscribing readers of 135 A. B. P. publications who, by their strategic position as primary buyers, can glut or clear the lines of production and distribution.

BUSINESS PAPERS, INC.
AVENUE—NEW YORK CITY

Oversold Price and Undersold Quality

BY ANDREW L. CARMICAL

FOLLOWING that eventful day in Wall Street when stocks came tumbling down with a crash that was heard throughout the world there was some confusion, at first, as to just what procedure should be taken regarding merchandising and advertising activities. Many pompous presidents and trembling treasurers leaped at once upon the advertising appropriation. Schedules were either canceled entirely or cut to the bone. Later, many of these concerns decided that it was unwise to curtail their advertising to such a marked degree. What was necessary, they reasoned, was a change in copy appeal—an appeal to the pocketbook. Price must be the magic magnet to lure cautious customers. Price must be the compelling force to once more start the flood of buying, trickling over the dam of hesitancy and doubt.

As a result of all this we have been, and still are, in the midst of the most pronounced price-appeal merchandising period in recent history. Caption and copy shriek "price" until we wonder if all other buying motives have been forgotten.

There is no denying the fact that there has been, and still is, some justification for price-appeal copy. In many cases people have been buying cautiously. Manufacturers and retailers reasoned with logic that tardy dealers could be coaxed most effectively with lower prices. And certainly lower prices have come. Generally speaking, the good old American dollar is doing nearer 100 per cent purchasing duty than at any time since 1918.

It is not our purpose to question the wisdom of establishing and giving wide publicity to lower prices in an effort to stimulate buying at a time when black clouds hung low and menacingly over the nation. Rather let

us point out the extremes to which we have gone in the price-appeal direction and turn the spotlight on the dangers that may later develop from such an emphasis of it.

I have before me a number of magazines and metropolitan newspapers published in 1928 and 1930. It is not until one thumbs the pages and studies the advertisements that a realization comes as to the change that has been made in the fabric of advertising. Two years ago the advertising appeal in caption, text and illustration was to our pride of personal appearance—to our appreciation for style and quality—to our desire for comfort and convenience. Price figured to some extent, certainly, but it was off-stage, so to speak. Today price is the leading character in our advertising drama. It basks in the spotlight while the other "members of the cast" remain in the shadows, practically ignored.

Now this comparison of 1928 and 1930 is intensely interesting. Let us take some of the more important classifications and note the copy appeal and the captions of 1928 and compare them with those of 1930.

Radio: Thirty-one magazines and newspaper advertisements of 1928 were noted. Of these twenty-seven featured entertainment value, beauty of design and improvements in construction; only four featured price. Thirty-one magazines and newspaper advertisements of 1930 were noted. Of these twenty featured price; eleven

The danger of over-emphasis of price is that your company may become identified as a "price house," and when that happens, it isn't the easiest thing in the world to convince the public otherwise. Wanamaker's aren't making that mistake.

featured entertainment, design, etc.

Furniture: Forty-five newspaper advertisements were noted. Of these, in 1928, thirty-eight featured style, quality and comfort; seven featured price. The same number of 1930 advertisements were noted. Of these thirty-six featured price; nine featured style, quality, etc.

Wearing Apparel (men and women): One hundred and seventy-eight newspaper advertisements were noted. Of these, 1928, 138 featured style, distinctiveness, pride of appearance, smartness and chic; forty featured price. The same number of 1930 advertisements were noted. Of these 120 featured price, fifty-eight featured

other appeals than to the purse.

To continue the comparison let us note some typical advertising headlines of 1928 and 1930:

1928: "The World's Greatest Entertainment Brought You Through the Magic of Radio"; "Radio Programs to Match Every Mood"; "Be the First to Wear This New Style"; "Fresh From Paris—These Charming Frocks"; "Furniture for the Home Where Comfort Is the First Consideration"; "Note the Charm of This Bedroom Suite"; "Shoes to Match Every Vagrant Whim."

1930: "Radio Sets Offered at New Sensational Low Prices"; "We Have Slashed Radio Prices to the Bone"; "Never Before Such a Dress at Such a Price"; "A Winter Coat at a Price So Low as to Be Almost Unbelievable";

Personal Communication

To Our Readers

Near and Far

Cheap Things Are—Cheap!

THEY cheapen those who make them, those who sell them, those who buy them. They pull down American industry. They lower the American standard of living—of our homes, our wages, our leadership in the world.

America is prosperous above all other countries because it has never cheapened its labor, its rewards of labor, its higher standards of the people, or placed restrictions on their method and comfort of living.

Trading Up Brings Prosperity

Trading up brings better things to all the people—better wear, better service, better satisfaction in the long run. Fewer things, but better, bring us more happiness. Quality is more upbuilding than quantity. Cheapness is a delusion unless backed with quality.

"It's Better at Wanamaker's"

That's our policy. Instead of cheapening things we make them better. Instead of taking out value to meet a price we put in extra value. No hush, no false-front, no advertising misleading in its insinuations. Because "It's better at Wanamaker's, it's cheaper"—not cheap.

Trade Up—Not Down Buy Better Things

Come in and see for yourself

JOHN WANAMAKER PHILADELPHIA

MOLLOY SALES MANUAL COVERS

*"Important?
Why a book with
a cover like that
must be important."*



Firestone Tires, Kleen-Heet Oil Burners and Wear-Ever Aluminum Covers reflect the value of well planned manuals.

These books are potent factors in the respective sales programs. They give complete organized information and reference data. They direct the salesman in making a systematic, logical, convincing sales presentation to his trade.

They are arranged also to help dealers and dealers' salesmen increase their sales.

The value of such well planned sales manuals cannot be overestimated.

The attractiveness of these Molloy Covers helps materially in impressing the salesmen and dealers with their importance, and the quality of the covers, in keeping with the importance of the contents, conveys the impression of the quality of the products.

Molloy Covers are durable to stand the hard wear of such books—clean them with a damp cloth when they become soiled.

Furnished in any style binding—loose-leaf, ring binder or post binder.

Send for a sample Cover and let Molloy artists submit a cover idea for any book you may plan, without obligation. If you want suggestions for planning a salesman's loose-leaf manual, a Special Survey Bulletin will be sent on request.

*Flexible Covers
Stiff Board Covers
Loose-Leaf Covers*



*Artificial Leather
Flexible Mocoltan
Hot Die Embossed Paper*

THE DAVID J. MOLLOY COMPANY

2869 North Western Avenue
CHICAGO, ILLINOIS

New York Address:
52 Vanderbilt Avenue

"Free—A Thanksgiving Turkey with Every Dining-Room Suite"; "We've Stretched Your Furniture Dollar to the Limit"; "These Prices Will Tickle Your Feet."

Does the price-appeal angle accomplish its objective? Does it stimulate sales?

If a man is out of work and can't buy he isn't interested in any kind of a price. If a man accustomed to buying good merchandise and paying a fair price for it finds himself in a position where he is forced to choose between purchasing a cheap suit or overcoat or wearing the one he now has a little longer, chances are he'll do the latter. He is accustomed to quality and style. A low price alone is no inducement.

Two women are standing in front of a furniture store. The signs in the display window proclaim "sensational, rock-bottom prices."

"Certainly cheap enough," says one woman.

"You have to live with furniture a long time. I'm more interested in the style and quality than the low price," says the other woman as they stroll on.

Price-Appeal Groups

It would seem, then, that price copy is of interest to only two groups:

1. People who buy only because they must and purchase the very cheapest merchandise the market affords.

2. People with no appreciation for style and quality—interested only in getting what they think is a bargain.

Now if there was sound logic and plentiful proof upon which to base the prediction that business conditions are to become steadily worse instead of better, we might take the attitude that present price-appeal copy is all right and let it go at that. Common sense tells us, however, that a nation of such active people as ours cannot long continue to postpone necessary purchases. Money on deposit isn't always going to satisfy the woman who wants a new coat or a man who wants a new car. We know, too, that a storm, no matter how severe, is followed by smiling skies.

One of these days we will awake to find that we are back to normal. What then?

Well, for one thing, a lot of advertisers will commence to think of trading up—instead of down. They will find, however, that once you become identified as a "price house" it isn't the easiest thing in the world to convince the public that you are anything else.

There are, of course, many manufacturers and retailers who will be "sitting pretty" when "happy days are here again." They have not permitted price appeal copy to dominate their advertising. On the other hand, they have pointed out that low prices are an opportunity to obtain more in style and quality, rather than a chance to save. They are still emphasizing that they feature *good* merchandise and not *cheap* merchandise.

John Wanamaker, the famous Philadelphia department store, has consistently pointed out in its 1930 advertising that "Cheap Things Are Cheap." The advertisement reproduced on page 330 is typical of this firm's attitude.

In the final analysis let us remember that the American people want to go on living as they have been accustomed to—and will! There has been no change in their buying motives. Some readjustments have been necessary, but they will not remain

permanent in this land where opportunity stretches out like the spokes in a wheel.

Pride of personal appearance—pride in the appearance of property—social achievement—desire for distinctiveness—expression of artistic taste—alleviation of laborious tasks—pleasure of recreation—obtaining opportunities for greater leisure—all these are typical buying motives of typical Americans—motives which make us the greatest earning and spending people in the world. We want every blessed thing that will add a pleasant sensation to our lives. We want all these things because we are a young nation—because we believe in the things that make life more abundant—because we are living as no other nation lived in all the centuries. And that is only another way of saying that the American people are eager for every advancement, every good and wholesome thing that life has to offer.

Phoenix Hosiery Features Style—Not Name—in Broadcasts

BY CHRISTINE HOLLOWAY

Stylist, Phoenix Hosiery Company, New York

THE opening radio advertising campaign for 1931 for the Phoenix Hosiery Company is based on definite fashion ideas.

This marks the first time a hosiery manufacturer has undertaken to merchandise specific timely hosiery shades and fashions to a national radio audience.

The southern broadcast, which began February 5 over eleven stations in the south, featured a new shade named Balmy Day, designed specifically for the fashionably smart new pastels and prints. Ben Bernie and his orchestra entertained. Interesting style and fashion notes were intermittently featured.

The most important feature of the Phoenix broadcast is the manner in which it is being merchandised through the dealers. Each program is specifically linked with the retail stores throughout the trading area of the station. Definite mention of store names is made regularly, thereby giving every benefit of the broadcast to dealers—a localized national program.

The advantage of merchandising an individual color via broadcast advertising, rather than just publicizing the manufacturer as an institution, was shown in a special program run in

October. On a one-night chain broadcast a program was devoted to a new color "Deep Night," sponsored by Rudy Vallee as a namesake of his famous song. Counter cards and dealer advertisements tied up with this program. The results were unusual to Phoenix. Two and a half months after its radio introduction "Deep Night" color in the \$1.95 line had jumped from nothing to sixth place, competing with a full range of colors that had been featured for a whole year. In the \$1.65 class, "Deep Night" had jumped to second place in sales.

The 1931 radio program plans to feature one color at a time and before the year is over will be heard over some fifty stations nationally. The campaign is being merchandised to the trade by means of special portfolios carried by the salesmen, trade paper advertising and direct mail. In order to make the best use of the program the dealer has available a display card, fashion folder which will be mentioned in the broadcast and local newspaper advertisement mats.

Featuring style information specifically in the broadcast advertising is a culmination of a style policy developing since October, 1928. First,

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Government in Business

This department, reporting the latest news of interest to marketing executives from government and other authentic sources in Washington, will appear every week in this magazine. It is furnished by the Washington Bureau of SALES MANAGEMENT.

Copyright Bills

The Vestal Bill (H. R. 12549), providing automatic and almost universal copyright for literary and artistic works, including material in pamphlet or sheet form, which has been passed by the House, will not pass the Senate without some radical amendments. But in modified form this bill may be passed by the present Congress.

Prospects are not so good for the design copyright bill (H. R. 1627) which is before committees of both Houses.

It was thought that the Senate committee would promptly report out the Vestal Bill; but Senator Dill objected and insisted on several amendments. Last Tuesday, during a brief interview, he said that the bill was loosely drawn and that, since it is revolutionary, it should be most carefully considered.

"The automatic feature of the bill," Senator Dill explained, "would lead to endless confusion and litigation. As a member of the committee, I have proposed that the bill be amended to include both registration and the publication of notice, as under the present laws. Among other amendments that I insist upon are those governing the time limit and damages for infringement. Fifty years after the death of the author is too indefinite and would lead to many difficulties, because the copyright office would have no means of recording the deaths of authors. I am in favor of making the term of copyright seventy years, and I think the committee will agree on this point. And it is probable that the amended bill will allow the courts more discretion in assessing damages for infringement than the present bill provides.

"In regard to the design copyright bill, it has been proposed by the House committee to limit the provisions to five industries (textiles, laces and embroideries of all kinds; furniture; lamps and lighting fixtures; shoes or other footwear; and jewelry or articles manufactured from gold, silver, platinum or other precious metals); but I think that the bill so limited is unconstitutional. Another fault of the bill in its present shape is that it does not require novelty or originality of design, and for this reason, in my opinion, enactment of the bill would cause a great deal of confusion, even if limited to but five industries."

Pittsburgh Wants Survey

After the Department of Commerce appropriation bill was passed by the House, a large committee from Pittsburgh petitioned the Senate, through Senator James J. Davis, to increase the appropriation for the purpose of a grocery survey. The Senator presented twenty-four telegrams from prominent Pennsylvania citizens approving the movement, but it seems the action was taken too late. But failure to interest Congress has not discouraged the move-

ment. It is now said that the Chamber of Commerce of Pittsburgh, with a number of prominent manufacturers headed by Howard Heinz, will raise the necessary money by private subscription and put the survey through, under the supervision of the Bureau of Foreign and Domestic Commerce, as soon as the government specialists are available for the work. If the survey is made it is thought that it will cost less than \$75,000—the approximate cost of the Louisville Survey.

Business of Colored People

Although the work is still largely experimental, the Marketing Service Division of the Department of Commerce is attempting to measure the Negro retail market of the country. The investigation, conducted by a special small business unit, includes all kinds of small retail outlets; but its principal purpose is to determine the facts regarding the activities of colored citizens engaged in retail distribution. An analysis of figures and other data already collected is being prepared; but it is impossible to say when the report will be published.

"Twenty Wholesale Grocers"

In the investigation to determine how low costs are made possible in the distribution of groceries, the original number of wholesalers has been increased, and twenty-five prominent houses have agreed to give all of their figures and explain their methods to the investigators of the Department of Commerce. The costs of all these wholesalers is far below the average. They are located in all important distribution territories. A part of the data from eastern houses has been received, and they show that the margin of profit in the wholesale distribution of groceries tends to decrease with diminishing costs. This is contrary to the tendency in the retail field.

Census of Distribution

On retail distribution, 200 reports have been released by the Bureau of the Census, mostly for cities and towns. Soon thirty-eight more will be released on cities and a few towns in the west and middlewest, and in a few weeks reports on all of the cities will be completed. New England and the central eastern states will be the last to be covered.

In the near future data on retail distribution in counties and small cities and the totals for a number of states will be completed and the reports published.

On wholesale distribution, twenty-four reports are being prepared for cities of more than 100,000 population. Three have been released, and the others will go to the printer shortly.

Compilations of the hotel reports will be completed soon.

Complete reports on contractors will be limited to those who are doing a business

of \$25,000 or more a year, and the schedules include the details of the business of more than 36,000 contractors.

Limited reports will be issued on contractors doing less than \$25,000 a year, and while the data are somewhat meager the reports will give a reliable indication of the volume of business conducted by small contractors in practically all lines.

While all of the releases are intended for news and business paper publication, you can get them promptly when issued. Write the Bureau of the Census, and mention the Washington Bureau of SALES MANAGEMENT.

Higher Taxes Foreseen

The passage of the 50 per cent bonus bill by the House last Monday has brought the subject of higher federal taxes to the forefront. Washington opinion is that higher taxes were inevitable for next year, and that they will be considerably higher because of the bonus. The overwhelming vote of the house leaves little doubt as to the passage of the bill, and in the opinion of several authorities the worst feature of the bonus is its encouragement to political expediency in the future. They forecast that within ten years the country will be burdened by taxes, mainly in the form of federal levies on business, to support a heavy program of pensions for the purchase of congressional votes.

To Swat the Chains

Organized with the purpose of resisting and fighting the "ever-increasing menace of the chain store systems," the National Chamber of Associated Merchants has been granted a charter under the laws of the District of Columbia. Headquarters of the organization are in the Investment Building, Washington, and it is now actively engaged in building up its membership.

The fact that former Senator John F. Nugent is president and Frank White treasurer indicates that the organization will be a factor in the anti-chain legislation that is expected to claim much of the attention of the next session of Congress. Mr. White is a former United States Treasurer.

Last Tuesday William J. McGinniss, secretary of the new chamber, explained that the organization is soliciting memberships from trade associations and manufacturers with an interest in legislation against chain enterprises, and among individual merchants in both the wholesale and retail fields. He said that the two-fold purpose of the chamber is to act as a clearing house for the collection and dissemination of information on the subject of chain distribution, and to bring the influence of all interested associations, manufacturers and distributors to a focus in the introduction of, and for the information

(Continued on page 340)

Buckner, 45 Years a Salesman, Heads New York Life

Thomas A. Buckner, salesman and sales executive, has been elected president of the New York Life Insurance Company, to succeed Darwin P. Kingsley, who held that position for twenty-four years and is now chairman of the board, a new office.

In April Mr. Buckner will have been with the company for fifty-one years. He started with the company at fifteen as an office boy in its Milwaukee agency; at eighteen he became a clerk in the same office; at twenty-one a personal producer in Iowa and wrote more than \$250,000 in insurance in his first year; at twenty-four an agency director at Wichita, Kansas; at twenty-six head of the Kansas City office in the same capacity; at thirty inspector of agencies, with headquarters in Chicago; at thirty-three superintendent of agencies; at thirty-five he was elected fourth vice-president of the company; and at thirty-eight first vice-president.

Mr. Buckner has personally supervised the company's sales organization, which now numbers more than 11,000 agencies.

Of late years he has been active also in formulating general policies of the company—being "groomed," in a sense, for his new position—although he has remained primarily a sales executive.

In this connection his viewpoint differs somewhat from that of the presidents of the two other largest life insurance companies, the Metropolitan and the Equitable. Frederick Ecker, president of Metropolitan, is more of an economist and an investment analyst; Thomas Parkinson, of Equitable, was formerly a lawyer.

Under Mr. Buckner's supervision the annual sales volume of the company has reached \$1,000,000,000.

In celebration of his fifty years' continuous service with the company last year, the agents put over between December 30, 1929, and April 7, 1930, a sales drive which produced applications to a total of \$409,000,000, at the rate of almost \$5,000,000 for each working day.

Business executives and chamber of commerce officials from the Pacific Coast states, Japan, China, the Philippine Islands, Indo-China, Siam, the countries in the Malay peninsula, Australia, the South Sea islands, and the west coast of Central and South America have been asked to attend a ten-day foreign trade conference in San Francisco beginning May 21, 1932. Wallace M. Alexander, San Francisco, is chairman of the conference committee.

Rabbits to Join Steers and Hogs at Chicago

Chicago, abattoir to the nation, is adding rabbits to its list of meat products.

The Raisin Brook Packing Company of Dundee, Michigan, has just purchased a large tract of land there and will start immediately the erection of a plant. Liver, sausage meat, mince-meat and other rabbit specialties will be produced.

Woodbridge Heads Sales of Remington-Rand

Charles Kingsley Woodbridge has been elected vice-president in charge of sales, a new position, of Remington-Rand Business Service.

Mr. Woodbridge is a former president of the Dictaphone and Kelvinator corporations, and recently reorganized and operated American Machine & Metals, Inc.

He is a former president of the Advertising Club of New York and the International Advertising Association.



H. C. Beaver

Beaver to Supervise Sales for Worthington Pump

H. C. Beaver, formerly executive vice-president of Rolls-Royce of America, Inc., has been elected vice-president of the Worthington Pump & Machinery Corporation, Harrison, New Jersey, devoting his efforts principally to sales.

Mr. Beaver will continue as a member of the Rolls-Royce board.

50 Per Cent Increase in Cigarette Sales by 1934 Forecast

An estimate that cigarette sales in the United States, which last year totaled 119,625,000,000, may reach 172,000,000,000 in 1934, and 194,000,000,000 in 1936, has been made by the American Tobacco Company, manufacturer of Lucky Strike cigarettes, by applying to the cigarette industry the "Gumpertz curve," used by General Motors Corporation in forecasting the trend of automobile sales.

Although American Tobacco does not wish to place itself on record as a prophet, it might be pointed out that the production of cigarettes in the five years from 1924 to 1929, inclusive, rose from 72,708,000,000 to 119,038,000,000, an increase of approximately 63 per cent. Production in 1929 was more than 13,000,000,000 larger than in 1928. Although a corresponding increase was not shown in the "depression year" 1930, it is expected that the curve will continue its former rise. In the fifteen years from 1914 to 1929 production of cigarettes increased from less than 17,000,000,000 to more than 119,000,000,000, or 600 per cent.

Production of cigars, on the other hand, fell in this period from 7,714,000,000 to 6,551,000,000.

Fight Appliance Sale by Public Utilities

Independent dealers in gas and electrical appliances in California are backing State Senator J. M. Inman of Sacramento in a bill which has just been introduced in the California Legislature to prohibit the sale of such appliances by public utilities.

Meanwhile H. M. Crawford, sales manager of the Pacific Gas & Electric Company, San Francisco, has mapped out his 1931 sales program with a goal of \$7,675,000 for gas appliances and \$8,350,000 for electrical. About \$1,500,000 will be spent for promotion and sales expenses to achieve these objectives.

Similar bills have been introduced in legislatures of Indiana, Nebraska, Oklahoma and Kansas.

An Electrical Advertising Conference will be held under the sponsorship of the National Electric Light Association at the Westinghouse Lighting Institute, New York, February 25-27. E. A. Mills, New York Edison Company, is chairman and W. T. Blackwell, Public Service Electric & Gas Company of New Jersey, vice-chairman.

Erwin, Wasey Gets Camel Account; Old Gold to Expand Advertising

R. J. Reynolds Tobacco Company, manufacturer of Camel cigarettes and Prince Albert smoking tobacco, Winston-Salem, North Carolina, has transferred its advertising account to Erwin, Wasey & Company, SALES MANAGEMENT learned this week.

The change coincides with the introduction by Reynolds of its Camel brand in cellophane wrappers, announced in this magazine January 31. It is believed to be a result of the ability of Lucky Strike (American Tobacco Company) to pass Camel in total sales volume and to win first position in the cigarette industry. Total sales for the four leading brands last year were approximately 112,000,000,000—of which Lucky Strike is said to have done about 43,000,000,000; Camel 38,000,000,000; Chesterfield (Liggett & Myers) 20,000,000,000; and Old Gold (P. Lorillard) 11,000,000,000.

Although the earnings of all four of these companies increased last year, American Tobacco—a predominating part of whose business is in Lucky Strike—reported an increase of about \$12,500,000, to about \$42,500,000, as against about \$2,000,000, to \$34,256,644 for Reynolds. Although net income of Liggett & Myers also increased nearly \$2,000,000, to \$24,012,315, and of Lorillard about \$1,300,000, to \$2,822,831, these increases, and Reynolds', were due entirely to the raising of the manufacturers' price, late in 1929, from \$6 to \$6.40 a thousand and did not represent increases in unit sales.

The appointment of Erwin, Wasey is said to have followed a suggestion on the part of an executive of that agency for a "Truth in Advertising" campaign by Camel aimed at Lucky Strike's "Toasted" and "Ultra Violet Ray" claims. One advertisement along this line—the only one which has yet appeared, was run in full-page newspaper space last summer.

In a statement to stockholders, reproduced in magazine advertising last month, Liggett & Myers also pointed out that their engineers and research men were following all major technical developments in the industry, and had either adapted them to their products or rejected them.

Meanwhile Old Gold, youngest and smallest of the four, is planning "considerable increase" in advertising this year, a Lorillard executive told SALES MANAGEMENT, the most of the increase to be devoted to newspapers,

although magazine, car card and other advertising will continue. Radio will be employed in a "limited way." The "blindfold test" theme which had been used with variations for several years will continue.

Although various cigarette manufacturers have been testing and using cellophane wrappers, Camel has become the first of the "big four" to adopt it. (In this connection, it should be noted that of the four, Camel was the only one which has not used waxed paper wrapping, and there have been some complaints that these cigarettes dried more quickly than the others.)

As a result of long experiments a machine has been developed to seal the package as tight against moisture as is the cellophane itself. The improvement is expected to be widely promoted.

The advertising appropriation for Camels in the cigarette industry is believed to be second only to Lucky Strike—which in all media last year totaled approximately \$20,000,000.

Consolidated Cigar Doubles Campaign

Nearly a 100 per cent increase in the advertising appropriation of the Consolidated Cigar Corporation, New York (Dutch Masters, 44, Mozart, Henry George, El Sidel, Adlon and Harvester), for 1931, was announced this week by Julius Lichtenstein, president.

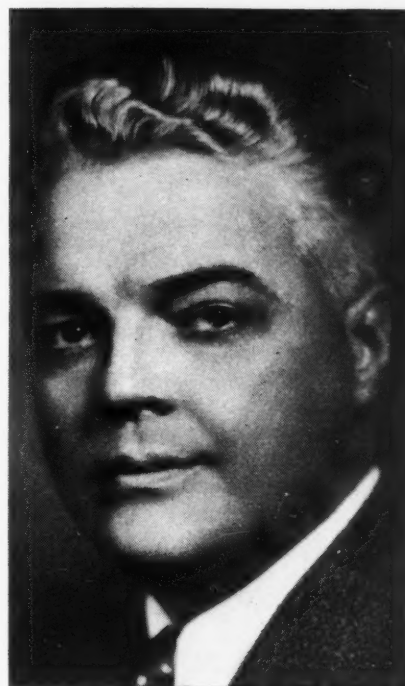
Sales of its five-cent Henry George brand were 48 per cent greater in 1930, Mr. Lichtenstein said.

Radio Groups Consider \$10,000,000 Campaign

Plans for the raising of a \$10,000,000 fund to be devoted to newspaper advertising on behalf of the radio industry were discussed by the National Federation of Radio Associations in convention at Indianapolis this week. J. Newcomb Blackman, of New York, president of the federation, informed SALES MANAGEMENT that no definite action has yet been taken.

Coons Joins L. & T. and L.

Sheldon R. Coons, who resigned recently as vice-president of Gimbel Brothers, Inc., and merchandise manager of that company's New York store, will join Lord & Thomas and Logan, Inc., advertising agency, March 1.



Ernest T. Giles

National Fireproofing Appoints E. T. Giles

Ernest T. Giles, for the last five years vice-president of Ketchum, MacLeod & Grove, Inc., Pittsburgh advertising agency, has become general manager of sales of the National Fireproofing Corporation there on March 1.

Established in 1889, this corporation today is the largest manufacturer of structural clay tile, operating twenty-two plants in the United States and one in Canada.

Report Scripps-Howard to Get Evening World

Acquisition of the New York *Evening World* by the Scripps-Howard newspapers—the New York member of which is the *Telegram*—was widely reported this week, but could not be confirmed.

Rumors of a merger between these two evening newspapers have been current almost since the time Scripps-Howard acquired the *Telegram* several years ago.

It has also been reported that either the New York *Times* or the New York *Herald Tribune* would acquire the *Morning World*. The *Times* rumor was given impetus recently with the publication in both the *Times* and the *Morning and Evening World* of the biography of General Pershing.

Credit Monthly, published since 1898 by the National Association of Credit Men, has changed its name to *Credit and Financial Management*.

Inventories Last Year Fell 5.65 Per Cent, Ernst & Ernst Finds

Inventories of 644 corporations in twenty-seven lines of industry, and miscellaneous, amounting to \$1,016,213,746 at the end of 1930, were 17.64 per cent less in dollar value and 5.65 per cent less after adjustment for estimated price recessions than at the end of 1929, Ernst & Ernst, accountants, announced in New York this week in issuing preliminary returns from a nation-wide survey.

Dollar value of sales of the same companies in 1930 was \$6,411,904,456, a decline of 15.12 per cent, the survey shows.

"No attempt had been made to relate inventories to sales because of the impracticability of placing the sales figures for the two years upon a comparable basis on account of various adjustments in sales prices which occurred during the year 1930," it was explained.

Club Offers Ten Awards for Advertising Art

The tenth annual Exhibition of Advertising Art will be held under the auspices of the Art Directors' Club of New York at the Art Centre there, April 18-May 16.

Prior to the opening of the exhibition, awards will be announced in ten groups as follows: paintings and drawings in color—figures, still life and miscellaneous; black and white illustrations for halftone and for line reproduction; posters, car cards and window displays; magazine covers; decorative designs; photographs (untouched and retouched); packages, bottles and containers.

The first award in each group will be the Art Directors' Club Medal, designed by Paul Manship. An additional medal, designed by Gaston LaChaise, is offered by Barron Collier in posters and car cards.

Proofs or clippings of complete advertisements which have appeared between January 1, 1930, and March 1, 1931, should be sent to the exhibition committee of the club at the Art Centre, 65 East Fifty-sixth Street. Edwin A. Georgi is chairman of the committee in charge.

Heads Necco Advertising

John L. Clarke, formerly in charge of merchandising of the *Boston Globe*, has been appointed advertising manager of the New England Confectionery Company, Cambridge, Massachusetts, maker of Necco candies.

TABLE I. SALES BY INDUSTRIES IN 1930

	Number Companies	Amount	Per Cent Decline from 1929 Actual
Automobile manufacturers and dealers	19	\$ 387,447,114	44.82
Auto parts and accessories	29	113,517,798	39.52
Beverage and confection	13	79,849,655	4.35*
Building material and equipment	23	81,477,068	15.88
Cotton goods	23	64,225,168	21.56
Drugs and chemicals	17	105,305,530	12.32
Dry goods—wholesale	12	74,334,447	18.50
Electrical equipment	17	69,741,030	19.22
Food products—miscellaneous	17	104,480,250	5.96
Foundries and forgings	12	10,327,732	25.32
Furniture and household furnishings	25	23,094,673	25.99
Groceries—wholesale and retail	14	46,063,672	2.65
Hardware—wholesale and retail	14	44,942,127	20.61
Heating equipment and tanks	16	14,580,363	12.16
Hosiery and knit goods	17	81,318,909	8.55
Lumber products	29	52,251,536	34.84
Machinery and tools	49	148,474,070	19.22
Meat packers	24	2,583,500,334	6.87
Merchandising (retail and mail order)	38	1,181,347,641	7.49
Metal products—Sundry	31	91,725,922	31.75
Paint and varnish	11	142,863,665	9.12
Paper products	21	41,201,714	21.43
Plumbing supplies and brass goods	10	30,341,630	28.07
Rubber products	9	169,493,062	17.58
Shoes	17	171,217,342	21.83
Wearing apparel	22	63,221,941	15.49
Woolen goods	8	25,294,722	29.13
Unclassified	107	410,265,341	19.74
Totals	644	\$6,411,904,456	15.12
*Increase.			

TABLE II. INVENTORIES BY INDUSTRIES IN 1930

	Amount	Per Cent Decline From 1929 Actual	Per Cent Decline From 1929 Adjusted for Price Factor
Automobile manufacturers and dealers	\$ 54,563,106	31.78	28.50
Auto parts and accessories	18,828,599	15.34	2.52
Beverage and confection	10,941,093	15.67	5.11
Building material and equipment	16,387,220	1.34	.97*
Cotton goods	16,893,386	25.35	4.53
Drugs and chemicals	19,768,993	11.71	6.04
Dry goods—wholesale	14,165,490	19.56	1.97
Electrical equipment	10,820,674	12.81	4.58
Food products—miscellaneous	13,422,266	14.89	5.03*
Foundries and forgings	1,107,509	19.98	12.52
Furniture and household furnishings	5,238,250	20.10	11.91
Groceries—wholesale and retail	6,783,677	5.72	10.07*
Hardware—wholesale and retail	11,031,168	13.68	5.29
Heating equipment and tanks	4,131,823	6.43	3.68*
Hosiery and knit goods	16,130,003	30.71	15.20
Lumber products	17,910,640	19.50	4.58
Machinery and tools	54,295,122	5.54	1.02
Meat packers	273,548,420	16.87	4.89
Merchandising (retail and mail order)	185,042,247	19.18	4.62
Metal products—sundry	22,015,636	20.72	17.70
Paint and varnish	26,959,574	14.47	5.70
Paper products	7,276,292	16.72	6.77
Plumbing supplies and brass goods	7,596,979	12.65	8.09*
Rubber products	37,072,033	31.61	8.33
Shoes	40,902,640	11.33	.29
Wearing apparel	9,393,833	30.36	17.09
Woolen goods	11,083,295	29.58	17.72
Unclassified	102,903,778	7.87	6.38*
Totals	\$1,016,213,746	17.64	5.65
*Increase.			

Timken Budget Higher

The Timken-Detroit Company, oil burners, Detroit, announced recently through Haldeman Finnie, vice-president and general manager, an increase of "several hundred thousand dollars" in its advertising budget for 1931, including a 25 per cent increase in newspaper advertising.

New Western Outdoor Firm

Phoenix Advertising Company has been formed by Jess and N. V. Doran of San Francisco, to operate an outdoor advertising business in California in competition with Foster & Kleiser, which has long been dominant in this field on the Pacific Coast.



THE M. WERK CO.

ST. BERNARD

CINCINNATI, O.

SOAPS, RED OIL
STEARIC ACID
GLYCERINE

January
31st,
1930.

Mr. J. L. Clark, Com. Mgr.,
Crosley Radio Corporation,
Cincinnati, Ohio.

Dear Mr. Clark:

We have been using WLW for quite a few months and it might be interesting to you to know that we have received letters from every state in the United States excepting nine, also inquiries have been received from Porto Rico, Cuba, and most of the provinces in Canada.

We have been using other broadcasting stations, but the result we have been obtaining from your station far exceeds any other station we have been using.

We have recently signed a contract for the balance of the year of 1930 and we believe this will mean more to you than any other one thing.

Very truly yours,

PRESIDENT

WOP:OS

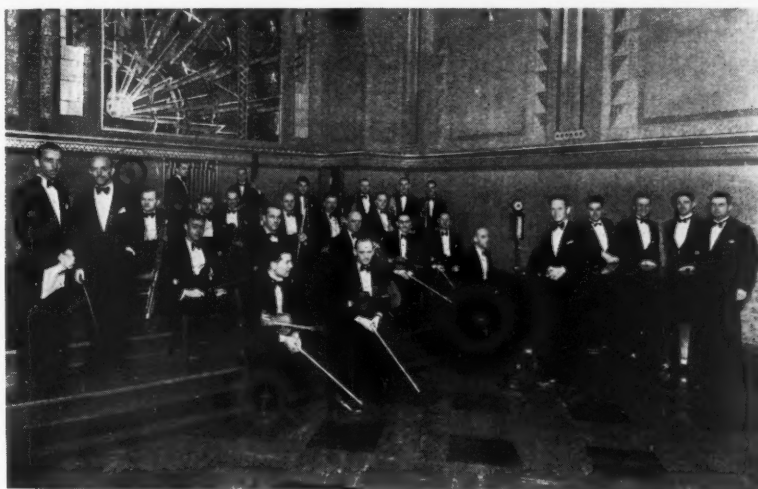
WLW'S increase in the number of commercial accounts successfully handled in 1930 exceeds 1929 by more than 100%.

This phenomenal increase is attributed to more advertisers realizing that this station delivers more listeners per dollar spent.



THE
NATION'S
STATION

STATISTICS ON SURVEYS
RECENTLY CONDUCTED
ARE AVAILABLE TO
EXECUTIVES.



THE CROSLEY RADIO CORPORATION

CINCINNATI, OHIO



Hal Johnson

Pluto Water Diversifies Under Hal Johnson

Coincident with the appointment of Hal Johnson as director of sales and advertising, the French Lick Springs Hotel Company, French Lick, Indiana, has announced the introduction of French Lick salts, now being advertised in the middlewest through newspapers and spot broadcasting. This is the first attempt of the company to establish a "line of products." Its Pluto Water has been promoted intensively for many years and copy is now running on this product in magazines and key newspapers. Mr. Johnson was formerly manager of advertising and sales promotion of the Wahl-Eversharp Company.

Standard Brands Promotes

Harry Hencke, directing head of Fleischmann Company's activities in the Pacific northwest, has been elected president of Standard Brands of California, a unit of Standard Brands, Inc., distributing yeast, Royal Baking Powder and Chase & Sanborn's tea and coffee in the west.

Winchester Receivers Continue Advertising

Receivers of the Winchester Repeating Arms Company, New Haven, have been authorized by Judge Edwin S. Thomas of the United States District Court there, to spend \$125,000 in advertising and to pay for advertising already published. The company, recently thrown into temporary bankruptcy, has just inaugurated a magazine campaign on flashlights.

Coca-Cola Advertising Budget Is Increased \$1,000,000 in 1931

An increase of more than \$1,000,000 in the advertising budget of the Coca-Cola Company, Atlanta, for 1931, was announced to SALES MANAGEMENT this week by Turner Jones, vice-president in charge of advertising. The largest increase, Mr. Jones said, will be in outdoor media, which for the first time will be contracted for on a ten-month basis throughout the country. Point of purchase and dealer help advertising will be extended and more emphasis placed in newspaper advertising in cooperation with dealers. The radio program, inaugurated last March, will continue.

"There is a possibility for further increase in the budget this summer," Mr. Jones added.

Coca-Cola, leading soft drink manufacturer, has just completed the most successful year in its history—gallage and dollar sales volume being about 1,000,000 and \$2,000,000 larger and net income about \$760,000 larger than in 1929.

Although the advertising program has also increased consistently since its inception in 1892, six years after the company was formed, the ratio of advertising to gallon sales (as pointed out in SALES MANAGEMENT April 3, 1929) has fallen. The initial advertising expenditure was \$11,401.78. The expenditure in 1929 was \$3,581,937.72, and in 1930 approximately \$4,500,000. The campaign is handled by D'Arcy Advertising Company.

In the last seven years Coca-Cola's annual net profits increased 198 per cent, gallonage 60 per cent, and dollar sales 69 per cent. Net profit in this period rose from \$4,529,100 to \$13,515,535. The company's sales volume in 1930 of \$41,214,511 represented only about one-quarter of the aggregate sales of Coca-Cola at retail which were approximately \$165,000,000—probably the greatest volume for any five- or ten-cent product in the world, and exceeded only among low-priced advertised products by two brands of cigarettes.

Coca-Cola is now bottled by about 1,300 bottlers and sold to the public through 105,000 fountain retailers and 600,000 bottle retailers in the United States and nearly every other country in the world. Of its total assets of approximately \$60,000,000, \$23,116,870 stands for formulae, trade-mark and good will.

Earnings in 1930 of \$13,515,535 represented a profit of about 33 per cent.

Account Changes

R. J. REYNOLDS TOBACCO COMPANY, Winston-Salem, North Carolina, Camel cigarettes, Prince Albert tobacco, to Erwin, Wasey & Company, New York.

LIBBY-OWENS-FORD GLASS COMPANY, Toledo, window glass, to Grace & Holliday, Detroit.

FAITH MANUFACTURING COMPANY, Chicago, golf equipment division, to M. Glen Miller, there. Direct mail and business publications.

HOFFMAN BEVERAGE COMPANY, Newark, New Jersey, to Batten, Barton, Durstine & Osborn, Inc., New York.

LES PARFUMS MARLY, INC., Paris and New York, perfumes and cosmetics, to Albert Frank & Company, New York. Newspapers, magazines and trade publications.

PHYSICAL CULTURE SALES COMPANY, division of Ground Gripper Shoe Company, Harrisburg, Pennsylvania, to Cleveland & Shaw, Inc., New York.

KINDEL FURNITURE COMPANY, Grand Rapids, Michigan, wood beds, to George Harrison Phelps, Inc., there.

BALDWIN BELTING & LEATHER COMPANY, leather belting—transmission drives; and NICHOLS COPPER COMPANY, copper—agricultural chemicals, both of New York; and BONIDE CHEMICAL COMPANY, Utica, New York, agricultural chemicals, to H. E. Lesan Advertising Agency, Inc., New York City.

M. N. ARNOLD SHOE COMPANY, North Abington, Massachusetts, Glove Grip shoes and Authentic shoes, to Badger & Brown, Inc., Boston.

AERONAUTICAL CORPORATION OF AMERICA, Cincinnati, Aeronca light airplanes, to Keelor & Stites Company, there. Magazines and direct mail.

"O.K." TOOL COMPANY, INC., Shelton, Connecticut, to Edwin Bird Wilson, Inc., New York. Magazines, trade papers and direct mail.

CAMDEN FIRE INSURANCE ASSOCIATION, Camden, New Jersey, to Jerome B. Gray & Company, Philadelphia. Insurance journals and direct mail.

ENDERS RAZOR COMPANY, New York City, razors and blades, to United Advertising Agency, Inc., there.

GEORGE C. V. FESLER, INC., St. Louis, Petalis, cleansing cream, to Nelson Chesman & Company there. Magazines and radio.



First the Market Then the Medium

APPROXIMATELY one-third of the total Pacific Coast population now lives within commuting distance of Los Angeles' city hall. In this great market of more than 2,500,000 consumers are two factors which warrant careful attention: (1) The centralizing effect of the mountains. (2) The de-centralizing effect of the climate.

Los Angeles' mountains form a continuous natural wall, separating 2,000 fertile square miles from the surrounding desert. The interior is capable of supporting an enormous population; the exterior for the most part is unsuited to human use. Growth and development are thus centralized in a definite area.

On the other hand, the semi-tropical climate acts as an expanding force. With no winter snow to interfere with motoring, and with climatic conditions that make outdoor life inviting, people have spread throughout the entire area. There is no sharp line of demarcation between city and country. City homes have country gardens and elbow room; country homes have tile bathrooms and iceless refrigerators. The result is a community-wide metropolitan market, in which half the population reside outside Los Angeles' city limits.

The Los Angeles Times conforms to these factors.

The Times recognizes that it would be economically unsound to reach across the desert, fostering circulation in distant states. Accordingly its circulation is strictly concentrated within the market's area.

The Times likewise takes into account the unique distribution of population. Dealing impartially with the interests of the whole community, it furnishes practically simultaneous delivery from the center of Los Angeles to the base of the mountains. Times' city circulation is over 96% delivered to homes—the largest home-delivered city circulation obtainable. Times' circulation among the 1,250,000 surrounding consumers exceeds numerically that of any other Los Angeles newspaper, and like its city circulation is home-delivered—family-read—and outstanding for reader interest and confidence.

During 1930 over 1,700 local and national display advertisers used the Los Angeles Times exclusively. They did this to cover both halves of the market—the outside half as well as the inside half.

Los Angeles Times

Eastern Representative:

WILLIAMS, LAWRENCE & CRESMER CO.
360 N. Michigan Blvd. 285 Madison Ave.
Chicago New York

Pacific Coast Representative:

R. J. BIDWELL COMPANY
742 Market St. White Henry Stuart Bldg.
San Francisco Seattle

Gossip

HYLAND L. HODGSON, for the last five years manager of the Boston office of N. W. Ayer & Son, Inc., has been elected vice-president, in charge of the radio division at New York. LORIMER B. SLOCUM succeeds him. . . . COLONEL ROBERT L. HUBLER, general sales manager of the Ohmer Fare Register Company, Dayton, has been elected to the board. . . . J. M. PETERSON, western manager of Scripps-Howard Newspapers, Chicago, has been appointed manager of the New York office. FREDERICK GIESEL is now in charge at Chicago. . . . Edmund C. Bechtold & Associates and the Douglas Powell Advertising Agency, Portland agencies, have merged under the name of Bechtold & Powell and Associates, with offices in the Studio Building there. . . . SHERMAN K. ELLIS, a former vice-president of Erwin, Wasey & Company at New York, has returned to the Chicago office in a similar position. . . . Wallin & Barksdale, radio advertising agency of Los Angeles, has opened a San Francisco office in the Finance Building. . . . E. PRESTON BROWDER of the Windo-Craft Display Service, Inc., Buffalo, has been elected president of the Buffalo Association of Display Men. . . . McCandlish Lithograph Corporation, Philadelphia, has opened a Pittsburgh office, in charge of W. E. KUSEN. . . . JOHN J. CAHILL, president of John J. Cahill, Inc., Denver agency, is now manager of the Los Angeles branch of Albert Frank & Company, New York agency. . . . CARL E. HAMMOND and HENRY B. WESSENDORF have joined the staff of the Ethridge Company, New York. . . . BERNARD E. TURNQUIST, of Boston, JOSEPH F. WALSH, Milton, and FRED H. FITZGERALD, Brookline, Massachusetts, have formed the Nation Wide Publicity Corporation, advertising, at Boston. . . . Haney-Curtis, Inc., has just been organized at Boston by CHARLES A. HANEY, DORRICE L. SHERMAN and WILLIAM A. HANEY, to handle financial publicity. . . . WALTER R. SKIFF is now national advertising manager for the Electrical Products Corporation, with headquarters at Los Angeles. . . . W. J. HARBERS, formerly with Brunswick Kroeschell, has been placed in charge of sales of Juruick refrigerators at New York for the American Engineering Company, Philadelphia. . . . LOUIS GLASER and H. J. MARKS have dissolved partnership in Glaser & Marks, Inc., Boston advertising agency—Mr. Glaser continuing to conduct the business. . . . Small, Kleppner & Seiffer, Inc., New York agency, have moved their headquarters to 469 Fifth Avenue.

To Hold Package Exhibition

An exhibition of modern packaging technique will be held under the auspices of the consumer marketing division of the American Management Association, in the Roof Garden of the Hotel Pennsylvania, New York, May 19-21—coinciding with a national packaging conference at the same place and time. Headquarters of the exposition are at 225 West 34th Street, New York. Irwin D. Wolf, vice-president in charge of the division, is supervising arrangements.

How Peabody Coal Company started using Autopoints



G. A. MILLER
General Sales Agent
Peabody Coal Company, Chicago

A PROSPECT upon whom a Peabody Coal Company salesman was calling reached over to the salesman's vest pocket, picked out a pencil, and said, "Just what I need." The salesman cheerfully retaliated, "No you don't; this is my individual pencil, but I'll see that you get one." A try-out of Autopoints which followed proved so successful that now the Peabody Coal Company purchases thousands.

This is the story, as given us by G. A. Miller, General Sales Agent, of how Peabody Coal Company started using Autopoints. It is an experience which has been duplicated hundreds of times in other businesses.

Autopoints do build good will! A user gets attached to this pencil . . . he comes to value it just as he does his watch.

Naturally, you benefit from such "advertising." For it really is more than advertising . . . more beneficial because your firm's name really comes into that man's life and becomes part of him!

Whatever your line, whatever your sales problem, we are sure that there is one way Autopoints can do a valuable job for you. Some firms use imprinted Autopoints as prizes. Others as "good will" advertising; that is, to supplement the calls of salesmen. Others use them to reach persons whom the salesmen cannot contact. It is our job to help you find where Autopoints can serve you.

A tested selling plan

We have had so many successes with firms in widely varying lines of business that we feel confident of being able to help you. Just send the coupon and you will receive our proposition. It costs you nothing to learn the full story. So fill in your name, etc., and mail today.



WRITE
for an Autopoint
tested sales plan
for your business.

Autopoint

The "Better Pencil" Made of Bakelite

3 Big Features

- 1 Cannot "jam"—protected by patent. But one simple moving part. Nothing to go wrong. No repairs.
- 2 Bakelite barrel, beautiful onyx-like, lightweight material.
- 3 Perfect balance—not "top-heavy."

Autopoint Co., 1801 Foster Ave., Chicago

AUTOPOINT COMPANY
1801-31 Foster Ave., Chicago, Ill.

SM-2 21-31

Without obligation, please send your sales-building proposition, booklet, prices, etc., on Autopoint Pencils.

Signed _____

Business _____

Address _____

Editorials

SENATOR CAPPER'S EMBARRASSMENT: The Senate committee on food prices, of which Mr. Capper is chairman, has caused a flurry among the bakers by calling attention to the fact that many of them have failed to give to the public the benefit of the lower cost of wheat. Their explanation is that flour plays a relatively small part in the cost of making bread. Other witnesses say the big bakers control the situation and compel dealers to sell their loaves on a high price level on pain of losing supplies. . . . Whatever the facts may be Senator Capper has got himself into the embarrassing role of exploiter of the argument against the principle of the bill for resale price maintenance of which he is co-author. The dealers tell him they would gladly supply cheap bread if they were free to compete with the chains which make their own bread. The wheat farmers, whose champion he is, would welcome the larger sale of bread which lower prices would cause. The senator thus finds himself astride two horses showing a disposition to move in opposite directions.

SHOCK ABSORBERS: Colgate-Palmolive-Peet income results for 1930 are characteristic of those of many large corporations whose volume of business was not materially affected by the adverse conditions. Sales amounted to \$98,601,662 on tonnage practically the same as in the year before, a shrinkage over that of the year before of only 2 per cent. Net profit (including operations of Kirkman & Son, absorbed, for the full year) was \$8,550,056 (\$3.76 a share), \$360,575, 4 per cent, less than in 1929, when \$4.07 a share was earned on the outstanding stock. In short, with everything against it, the company earned per share almost as much as in the banner year, 1929, and more than the original companies in either 1928 or 1927. . . . The main reason for the diminished gain in 1930 was the tendency of dealers to hold off, especially in the last two months of the year, because of the sagging tendency in the raw material markets. This and the fact that buying power of the consumer's dollar was advancing steadily through the year made difficult the task of maintaining the record pace. Yet the comparative figures show relatively little sign of distress and, standing by themselves, afford little indication of obstacles which most other companies had to face. . . . The circumstances here related illustrate the fortunate position occupied by corporations which deal in articles of small cost that are in constant use. They go forward with the favoring tide and recede only slightly

under the influence of adverse forces. They may not be depression-proof in the long run, but their ability to resist conditions with which a majority of companies find difficulty in coping is truly remarkable. The demonstrations of this fact have been more notable since the collapse of 1929 than in any other period of like character.

WHY WAIT FOR WHAT WE HAVE? Students of business development have dwelt on the conspicuous part which has been played by great new industries in energizing dormant activities. The appeal of discovery to our imagination is as potent in this respect as the appeal to wants and desires revealed by finding means of satisfying them. . . . Most of us remember the influence of the automobile in stimulating trade. Some of us recall what was accomplished by the telephone. All of us can learn from history the effect of the transcontinental railroads in rousing latent possibilities in the distribution of goods. In all these cases and many others that might be cited the impulse to buy preceded accessions to buying power created by the enrichment of our resources. The inception of eras of prosperity, in other words, had its origin in disclosure of ways of enhancing the pleasures and conveniences of life rather than in increased ability to acquire more of the familiar articles of commerce. . . . Naturally in slack times like those we are now passing through hope runs high that inventive brains will soon provide us with another industrial Moses to lead us from the desert of dullness to the promised revival. Meanwhile, however, would it not be well to take Kenneth Collins' advice to consider the things we already have that are useful and attractive but about which many of us know little, and by calling attention to them arouse public interest in buying, the flagging of which, following sudden shock, many believe to be the principal cause of our present troubles? "In this country," he says, "there are hundreds of thousands of generic items, innumerable pieces of machinery, that have never been exploited. In house-wares alone there are hundreds of such items. In fact not more than 5 per cent of the 50,000 to 500,000 items carried in the large department stores, for example, are ever advertised or featured in window displays." Mr. Collins suggests that out of these practically hidden articles advertising could "create a sort of composite giant whose function would be to develop unexploited possibilities of many items already in existence." Why waste time in longing for blessings that may come when opportunity to make the most of what we have knocks at our door?

Phoenix Hosiery Features Style in Broadcasts

(Continued from page 332)

this policy takes advantage of the tremendous selling force in style. Second, the line is styled as closely as possible to perfection to take advantage of this selling force. Third, once correctly styled, its style arguments must be understood and used by the retailer. Fourth, consumers must be made to understand this style logic both by consultation with the retailer and by advertising.

The following outline explains the plan of Phoenix styling and style promotion:

Sources of information

1. Paris collections reports and samples.
2. American fabric, leather, glove, shoe and dress manufacturers.
3. Style publications.
4. Retail stores high fashion and sales.
5. Style observation at smart events and gathering places.

Correlative work.

1. Consensus established from above style sources.
2. Application to specific market.
 - a. Psychological factors—acceptance.
 - b. Practical factors—wearability.
 - c. Production factors—efficiency and profit.
3. Analysis of sales trends past and present as check of theoretical predictions.

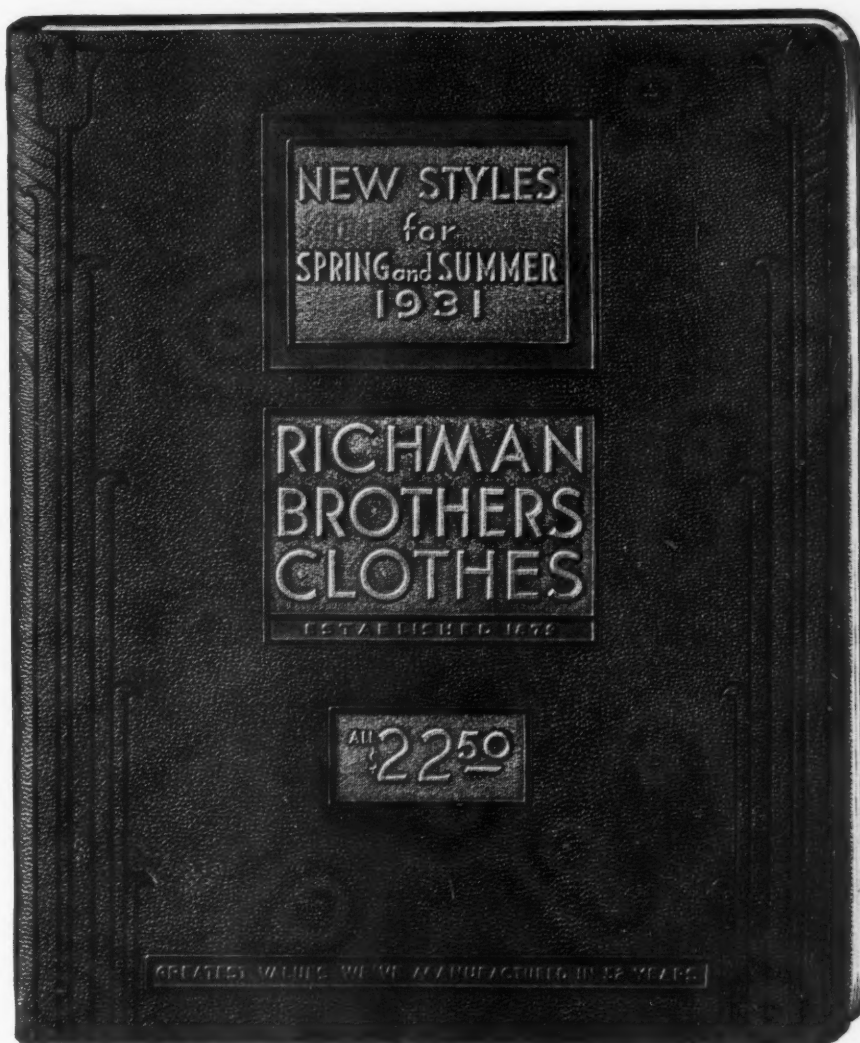
Presentation to Trade.

1. Bulletin service.
 - a. Style points.
 - b. Buying recommendations.
 - c. Color trends, best sellers, etc.
2. Follow up with specific key store promotion.
3. Relay of key store promotion to "follow-the-leader" stores.
4. Special radio advertising and timely style promotion.

How this plan is merchandised by radio and dealer tie-ups to the consumer has been told. How it is merchandised to the retailer needs a more detailed account. For the introduction of a new line of colors, every retailer is sent a color chart showing swatches of the color range, explained by their color families. Supplementing this color chart are periodic mimeographed style bulletins reaching the dealer about once a month.

These bulletins keep the dealer informed of everything he should now know about hosiery colors and their relation to dress and accessory style developments. The bulletins are made short and crisp to insure reading and study. That the retailer thinks them valuable is attested by the amount requested in bulk for distribution to the sales persons of his force.

By giving authentic style information and useful selling hints in these bulletins, they have become a distinct merchandising force. There is an immediate sales reaction noticeable when one color is pushed in the bulletin. This proved embarrassing to some of



Year after year users of Burk-Art Covers come back for more—7 times for Richman Brothers!

Burk-Art Covers—always attractive and long-wearing are made in practically every price range, for books, catalogs and loose-leaf binders. Send for literature.

The name of a process of embossing and color-decorating various binding materials to

BurkArt
PROCESSED

produce book and catalog covers of distinctive beauty in color, texture and design

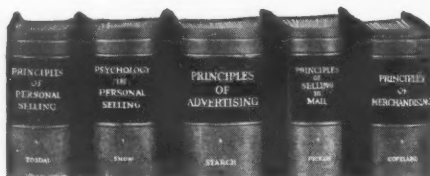
THE BURKHARDT COMPANY
545 W. LARNED STREET DETROIT, MICHIGAN

The 140,000
 daily net paid
 circulation of the
**Star-Telegram and
 Record-Telegram** is great-
 er than the combined
 circulation of any other
 four newspapers in Fort
 Worth and West Texas.

FORT WORTH STAR-TELEGRAM
Fort Worth Record-Telegram

AMON G. CARTER A. L. SHUMAN
President and Publisher Vice-President and Adm. Director
† Charter Member, Audit Bureau of Circulations

**LARGEST CIRCULATION
 IN TEXAS**
*Lowest Flat Milline
 Rate in Texas*



5489 proven plans for building sales volume!

HERE in five big volumes is a complete survey of merchandising and sale management practice that can help any sales executive increase his volume of business during 1931.

THE LIBRARY OF SALES MANAGEMENT

3,110 pages—size 5½ x 8½

The books outline immediately usable policies, plans and ideas that have brought big returns to hundreds of concerns throughout the country. This Library lays bare a world of tested "knacks" and "know-hows" for building sales. You are told how to train salesmen to **SELL**—how to build sales values so customers *will* buy—how to adapt canvassing to different classes of prospects—how to profit by human traits—how to arouse human interest into action and increased sales.

Free Examination Coupon

McGraw-Hill Book Co., Inc.,
370 Seventh Avenue, New York

Please send me on approval, postpaid, the Library of Sales Management, five volumes, buckram binding, gold stamped. Within ten days after their receipt, I'll send you \$1. and \$2 a month for nine months, until the special price of \$19.00 has been paid. Otherwise I'll return the books postage prepaid.

Name
 Street & No.
 City & State
 Position
 Firm SM-2-21-31

A SALES EXECUTIVE

WANTS a job. A job where the ability to select, train, and supervise, men is necessary. He is a merchandiser, knows sales promotion and research.

TO secure results—and the ability to produce them the basis of his compensation whether it be a salary—a commission—or both.

DO you need a man of good personality, thirty-five years old, married, a family, well educated, who has a successful record as sales manager for three nationally known food manufacturers in the last twelve years?

SOME one is looking for this fellow. He is a Hebrew, but carries with him the loyalty, and business shrewdness attributed to his race. He wants to join an organization where religion and business are not related.

REAL results are the basis of his compensation. He will take a commission arrangement and would finance sales expansion costs if it is justified.

HARD times don't bother him. He has earned well into five figures for twelve years and knows he can continue doing that.

WORK is a necessity with him. He is physically and mentally equipped for it. And naturally he comes with a clean bill of sale as to references.

Address Box 284

SALES MANAGEMENT
420 Lexington Avenue
New York, N. Y.

the salesmen when the bulletin was first issued. They paid little attention to it, only to find that the buyer would check them up when they made a statement not authenticated by the bulletin. Now the salesmen are reading and following the bulletin.

Supplementing the color chart and style bulletin are two women instructors who travel the country training the sales girls of the middle-sized and larger retailers. In many houses they conduct a Phoenix week. Tickets are given to clerks all over the department store. If the customer from one department comes to the hosiery counter and buys Phoenix, giving the clerk the ticket, the sales clerk in the first department gets a bonus.

Are Manufacturers Making Horse-traders?

(Continued from page 321)

are obviously unethical and economically unsound. Advertising allowances when made as price discounts, secret rebates and special concessions are a curse of the department store industry."

The third store visited does a large popular-priced business. Its volume is increasing more rapidly than that of the other two, and its management has the reputation of being exceptionally progressive and original. The official interviewed is a merchandising specialist who is in frequent contact with all departments of the store. He is responsible for volume, and it is his business to study conditions and to furnish ideas and plans for the improvement of the company's merchandising.

"We are vehemently opposed to advertising allowances and confidential concessions of all kinds," he declared. "We continually remind our buyers against the temptation to purchase concessions rather than real merchandise. Yet they take pride in their ability to purchase closely; they are conscientious, and they consider the securing of a lower price by another store as a reflection on their ability.

"Of course, there is a form of advertising cooperation with manufacturers which we indorse and practice; but it is not a price concession. It procures for the national advertiser the local newspaper rate, and it forms a splendid tie-up. But all plans of the kind are accepted by the store management, not by the store's buyers. Such plans are the result of the merchandising policies of the manufacturers, and are intended to be, not order-getters, but a means of cooperative business-building. The buyers, if they

are competent, are not ambidextrously minded enough to understand the technicalities of advertising. I have never known a good department buyer who was also a good advertising man, and I have never heard of a successful department store that would allow its buyers to decide questions of advertising policy.

"Therefore, any advertising allowance offered to a buyer to induce the placing of an order we invariably consider as a price concession. It deceives nobody. It is similar in character to all other concessions—just what the manufacturer intends it to be.

"When the subject is studied, we find that more than 50 per cent of the manufacturers who sell us nationally advertised goods offer our buyers special inducements in price because of the weakness of their lines. It is surprising to us how many national advertisers rely on their advertising to overcome the obsolescence of their merchandise and their merchandising. As their goods begin to weaken in public favor they try to hold their distribution to secure a maximum return from their advertising, and they make concessions, usually in the name of advertising.

Rapid Obsolescence

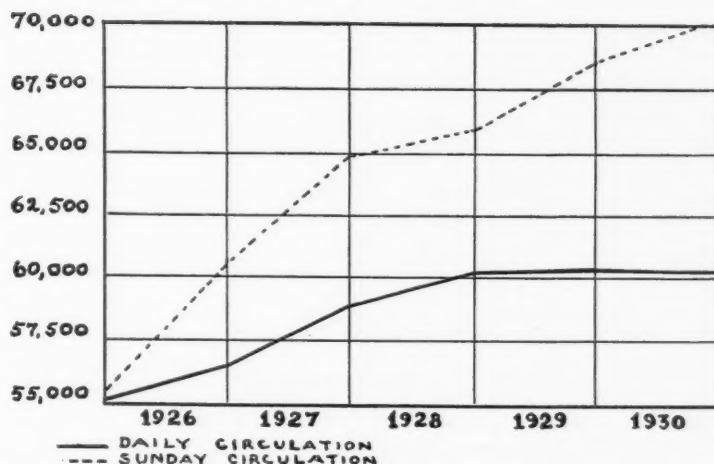
"This is not necessary when the advertiser is alive to what is happening and takes the steps necessary to keep the form and quality of his goods in public favor. In this country we have the most rapid rate of obsolescence in the world. That is one reason for our comparative prosperity.

"We say we are going through a period of depression because the public is overstocked on all kinds of merchandise. Another view is that a contributing factor is the partial or complete obsolescence of a large part of the merchandise that is being offered to the public. More than a year ago we concluded that there is a great deal of logic in the second claim, and we adopted a policy of trying out new ideas and increasing our rate of turnover.

"As a result of this policy our 1930 volume ran well ahead of 1929, and there are convincing indications that this year will show a healthy increase over last. Also, during 1930, our rate of turnover was 50 per cent ahead of the average rate for all of the department stores in our Federal Reserve District. This record is entirely due to our keeping ahead of obsolescence. Our thought has been to buy goods that sell readily, and in doing this, while we have taken every precaution to get the best prices, we have not bought a bill of a single item because

Seasoned Buyers

BUY ON A RISING MARKET



(Chart showing continuous rise in circulation from very earliest records to date.)

BUYING ON A RISING CIRCULATION IS Smart BUSINESS!

If during a hundred years a newspaper has shown a continuous and steady increase in circulation, it must hold a place close to the heart of its community.

Editorially this newspaper must be good, sound, alert, and clean, for it inspires conviction in its readers.

As an advertising medium, this newspaper must also carry a tremendous weight in the well planned advertising schedule, for who can question the worth of a newspaper which has stood the repeated test of its readers, advertisers, and changing conditions, for over a century? Such a newspaper should not be overlooked by Sales Managers or seasoned Space Buyers.

DAILY
over
60,000

SUNDAY
over
70,000

THE POST-STANDARD

NEW YORK
DETROIT
CHICAGO



PHILADELPHIA
BOSTON
SAN FRANCISCO

PAUL BLOCK & ASSOCIATES
Representatives

YES, MR. MEYERSON, WE MOST CERTAINLY DO APPROVE

From a letter dated January 24, 1931, to the Chicago office of SALES MANAGEMENT:

"I know you will approve of the action of our Board of Directors. You are down for twenty-six pages for the OKLAHOMAN AND TIMES.

"This is the largest schedule we have ever had with you, and it indicates that we are of the opinion that the sales executive, regardless of the title, is the man to whom we must sell our market.

"We feel our publications are so well established, so well known and so unquestionably the leader that our principal selling job is our market and its opportunities."

J. I. MEYERSON,
Advertising Manager,
THE OKLAHOMAN AND TIMES

an advertising allowance or a secret concession of some sort was offered.

"For many years our store has given preference to nationally advertised lines. We still think that national advertising offers an added value to a large part of the merchandise we distribute, and I am sure that if the subject of obsolescence were carefully studied by national advertisers they could make their goods of much greater value to us.

"About twelve years ago we put in a widely advertised line of merchandise from a manufacturer who was then selling a volume of about \$25,000,000 annually. A few years later his business began to decline, although he spent large sums for advertising. Several seasons ago we dropped the line, and we understand that the manufacturer did about \$6,000,000 last year. His line is pretty much the same as it was when we first bought it, and he cannot be convinced that it is unprofitable to advertise obsolete merchandise. To retain our business he offered a very generous advertising concession with a confidential discount; but, as we tell our buyers, we are distributing live merchandise and are not in the business of buying concessions.

False Stimulant

"I mention this because we are convinced that the price rackets are merely an annoying and demoralizing symptom of a dangerous condition. They are an expedient, a stimulant, used to overcome what the manufacturers think is a condition of the stores and the buying public. But in reality, the 'resistance' which the concessions are intended to overcome is largely the result of a degree of obsolescence of the merchandise.

"Fewer than 50 per cent of the national advertisers who sell us stand pat on their price quotations and refuse to allow any concessions of any kind. Practically all of the livest merchandise in our store is produced by these manufacturers. And I think I am safe in saying that the goods of the great majority of the others are slowing down because they have been neglected and are showing the tendency of everything of a static nature to become obsolete in the opinion of the public.

"The country has suffered a long period of overproduction. Mass production has not been balanced with mass consumption. Our manufacturers have shown a wonderful ability to produce in large volume; but they have disclosed an amazing ignorance as to the prejudices and preferences of the public.

"When manufacturers learn to study the public demand as the subject should be studied, and conform their production to the facts they learn, I am sure we shall hear very much less of distribution problems. Then all goods will be offered to our buyers strictly on their salability, and advertising allowances and all other forms of price rackets will go the way of obsolete merchandise."

A Simple Formula for Building Salesmen

(Continued from page 325)

man who had been with us only two weeks was taken ill with pneumonia. We sent him to a good hospital and saw that he had the best of attention. It took eleven weeks for him to recover, and I think that he will be with us for many years, for he is developing into a star salesman.

We have done a great deal of this sort of thing, and we want to be the first and the last to aid all of our loyal people when misfortune comes. Not long ago, for instance, one of our men had an operation and died. We paid all of his hospital and funeral expenses, and his widow received the benefit of our group insurance for which the company pays. All of our people are insured, incidentally, for group insurance is one of the numerous ways in which we can relieve their minds from worry and encourage them to give us their best thought.

Now, I do not want to convey the impression that we are trying to be philanthropists or that we do these things because they pay. If the cost of the "unnecessary" things we do were balanced against the savings they produce, I am frank to say I do not know nor care what the result would be. When this business was started, its founders were determined to build up a loyal organization, and they knew that a company cannot win the loyalty of its workers without being loyal to them. Therefore we have tried to be a most loyal friend to every member of our large organization.

This feature of our policy adds a great deal of interest to our work all along the line, and it is a source of pleasure and inspiration to all of the company's executives. We do not claim that it is the only way to make a business success; but we do say emphatically that it is the only way in which we care to make a success of this business.

There is still another common cause for salesmen's slumps, and when it occurs a friendly attitude of the

management is most important. Sometimes, when one of our good men falls down, he does not realize the reason. He says that he has no problems nor troubles that worry him. He has just faltered in his work, and somehow can't get back into production. We send for him, knowing that he has been unconsciously affected by the siren-talk of prices and the fear of competition. Possibly he has lost a good account, or failed to land one he expected to land, and he has allowed discouragement to displace his confidence.

For two or three days we let him roam around the factory, the laboratory, kitchens and the office. He sees the chemists testing every shipment of raw materials to see that they are up to the highest standard. He sees our finished products being processed and tested to assure us that every unit of production will fulfill the claims we make for it. He also sees the orders coming in, some of them from his own territory, and rubs elbows with our workers, foremen, production men and executives, and imbibes some of their enthusiasm.

Three Months' Probation

Soon his fear departs and his confidence returns. He has learned again that every item he sells is the best that can be produced, and he realizes that the fault was his own, that he had fallen into the demoralizing habit of trying to take orders rather than to merchandise his specialties. In other words, he is now pretty well convinced that quality merchandise can't be sold profitably by argument—"chin music"—and he is about ready to get back on the job.

Before he leaves we talk over these things. We emphasize the conclusion that goods must be merchandised today if they are to be profitably distributed, that he is a merchandiser, not an order-taker, and that his work must be the demonstration of how every item he sells furthers the interest of the customer, enabling the retailer to build up his business and assure his profits. Then I inform the salesman that we have every faith in his ability to come back stronger than ever. I tell him that we are counting on him to make good in a big way, and that, after three months, we are either going to raise his salary or let him go.

Almost invariably, when I tell a salesman that his face is very serious for a few moments and then lights up with determination. I have used the treatment many times, and it has never failed with a good salesman.

There is another important point

To Sales and Advertising Executives

who want accurate, down-to-the-minute information about

Daily Newspapers
General Magazines
Foreign Language and
Religious Publications

Farm Papers
Business Papers
Radio Broadcast
Advertising Rates

we recommend that you send for details of a plan which places this Service at your disposal for 30 days without obligation on your part.

STANDARD RATE & DATA SERVICE
The National Authority
536 LAKE SHORE DRIVE
CHICAGO

WMAL

On the
Air
16
Hours
Daily

WASHINGTON'S

Individual per capita wealth is ahead of the National average.

WASHINGTON'S

Spensible income is the second highest in America—\$1,428 per capita.

WASHINGTON'S

Buying public is the most intelligent in America. Washington has less than 1/2 of 1% of illiterate population.

Frequency
630
Kilo-
cycles

CAPITALIZE YOUR ADVERTISING

Located in the capital of the Nation, Station WMAL is the Washington station of the Columbia Broadcasting system. Equipped with Western Electric double turntables for spot broadcasting of transcription programs.

"Broadcasting the better things in and for Washington"

sometimes overlooked in the management of salesmen. When a vacancy occurs on the executive staff, or when the growth of the business necessitates a new job, we never go outside of our own organization to fill it. I know of nothing that sows the seeds of discouragement throughout an organization like placing an outsider in a good position over the heads of those who have given their best to the business. Ambitious people are the only kind worth employing, and we think it is their right to profit by the opportunities afforded by their organization. It is a matter of simple justice to give the rewards to those who have aided in creating them.

Our method of finding good salesmen I shall be glad to explain in another article; but, like our methods of training, it is not important. Somehow, good men seem to gravitate toward an organization that is humanly managed. But they do not remain with us and do their utmost to build up our business because of our methods of employment and training. They stick with the sales force, despite the fact that competitors and others are continually trying to entice them away, and they give us 100 per cent loyalty because we recognize them as human beings with hopes, ambitions, faults and virtues very much like our own, and for the reason that we strive to give them a square deal in the fullest meaning of the words.

Sales Plan for Every Month Jumps Edison Volume

(Continued from page 326)

our own outlined the plans for the campaign. Following this, supervisors from Premier were assigned to co-operate with each of the thirty-two sales offices.

The advertising campaign consisted of newspaper advertisements staggered in nine metropolitan and suburban newspapers, so that an advertisement appeared almost every working day during the campaign period. In addition to this all of the consumers of the New York Edison System received a special Premier folder with their electric bill. All of the showrooms used heavy Premier window displays, built especially for the campaign.

Regular Premier dealers took advantage of this advertising effort, so well, in fact, that their sales reached about 60 per cent of those of the New York Edison System. As a result of this campaign, the combined efforts of the New York Edison System and the dealers in the metropolitan area sold over \$800,000 worth of cleaners.

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display
Cash Basis Only. Remittance Must Accompany Order

DIRECT MAIL

A LIVE HOUSE ORGAN TELLING THE right merchandising story to your distributors is the cheapest form of advertising insurance. Our 100 correspondents are trained to get information your trade requires. Let house organ experts solve the problem. Complete details furnished on request. J. J. Berliner & Staff, 1123 Broadway, New York, N. Y.

POSITIONS WANTED

YOUNG SALES PROMOTION MAN, UNIVERSITY graduate, to act as assistant to Sales or Advertising Manager or can take charge of department in small organization. Proven sales letters, qualified in mailing list supervision, correspondence, market research, house organ editing, copy, layout, packaging, trade magazine, manufacturing, wholesale, retail, direct sales experience in various lines. Middle west preferred, but go anywhere for right job. Address Box 287, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

ADVERTISING MAN—HIGHLY EDUCATED; scholarly; right on character side. Can contact successfully as well as plan and write advertising, singularly original and effective. Specialized knowledge of house organ, publicity and editorial work, together with ability to apply. Want answer from advertising manufacturer or agency. Address Box 286, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

SALES OR BRANCH MANAGER, THIRTY-eight, desires permanent connection, advancement

based on results. Proven record efficient, economical, productive management. Seven years abroad. Familiar with entire country; willing to go anywhere; available immediately. Pleased to submit record to any reliable concern. Address Box 285, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service of recognized standing and reputation through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements, your identity covered and present position protected. Established twenty-one years. Send only name and address for details. R. W. Bixby, Inc., 118 Downtown Building, Buffalo, N. Y.

SALES PROMOTION

\$50 to \$50,000 DAILY SALES SECURED FROM our clients. This distributor took on a new specialty, retailing at \$60. His first purchase \$12. We submitted a sales program capable of national expansion. Within four years his sales were nationwide, running to \$100,000 monthly. 35 years salesmanship-in-print experience back of our campaigns. Submit sales problems for free diagnosis. 10 years Sales Promotion Manager, Larkin Co. James C. Johnson, 119 Woodbridge Ave., Buffalo, N. Y.

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Reprints at Cost

We will reprint at cost plus ten per cent for postage and packing any article in this or other issues of SALES MANAGEMENT.

In every issue there are articles which profitably could be sent to business associates, customers, or friends of some of our readers. We shall be pleased to quote prices in any quantity desired.

TORONTO
HAMILTON
HALIFAX
MONTREAL
LONDON, Eng.

"GIBBONS KNOWS CANADA"

J. J. GIBBONS Limited, Canadian Advertising Agents

WINNIPEG
REGINA
CALGARY
EDMONTON
VICTORIA
VANCOUVER